

UNIVERSITY OF

LIBRARIES

JAN 17 1947

JAN. 20, 1947

New Republic

A red eagle with spread wings, perched on a shield with horizontal stripes, is positioned behind the word "Republic" in the masthead.

Letter

to

Marshall

Henry A. Wallace EDITOR

15 CENTS

AMERICA'S STRONGEST LIBERAL FORCE

THIS IS A GOOD MOMENT to point out that
in these days of new liberal organizations . . .

THE *NEW* NEW REPUBLIC with 100,000 weekly
copies read by 250,000 people (and going up fast) is *in fact*
America's largest "liberal movement" . . .

THE *NEW* NEW REPUBLIC edited by the most
exciting man in America is *in fact* liberalism's most effec-
tive single voice.

edited by Henry A. Wallace

the new **New Republic**

makes news with the news

At the rate our circulation is increasing, paper shortages
will soon force new subscribers onto a waiting list. To be
sure of your not being left out mail this coupon today. ►

NEW REPUBLIC
40 East 49th Street, New York 17, N. Y.

Please enter my subscription. I enclose
\$6.00 for one year; \$2.00 for the special
24-week introductory offer.

Name _____

Address _____

City & Zone _____ State _____

1-20-47

New Republic

3

CONTENTS FOR JANUARY 20, 1947

	3	Wallace's PCA Speech
News in Focus	5	Marshall Takes Over
	9	China Defeat
	10	Power Publishers
Washington Wire	11	For the Record
General Articles	13	State of the Union: by Griffing Bancroft
	15	Seduction, Inc.: by Thomas Whiteside
	20	Railroad War: by David A. Munro
	27	Nathan Report: by George Soule
	30	Senator Vandenberg: by Edward A. Harris
Henry Wallace's Forum	18	Letter to Marshall The President's Economic Report
United Nations News	34	Veto on Peace
Labor	35	Hard to Scare
Theatre	36	Literate Drama
Movies	37	Malraux and Crawford
Books	38	A Note on Publishing
	40	China
Hollywood	42	The Machine from the God
Etcetera	41	Bandwagon
	44	Correspondence
	45	New Republic News

EDITOR: *Henry A. Wallace*
PUBLISHER: *Michael Straight*
ASSOCIATE PUBLISHER: *William D. Patterson*
EDITORIAL DIRECTOR: *Bruce Bliven*
EXECUTIVE EDITOR: *Francis Brennan*
MANAGING EDITOR: *Norman Grieser*
WASHINGTON EDITOR: *Helen Fuller*
SENIOR EDITORS: *William Harlan Hale, Robert Hatch, Penn Kimball, James R. Newman, Theodore H. White*
ASSOCIATE EDITORS: *George Mayberry, Nathan Robertson*

ASSISTANT EDITORS: *Jane Bedell, Heinz Eulau, Graham Hovey, Elizabeth Huling, Ruth Moore, Thomas Whiteside*

STAFF CONTRIBUTORS: *Tris Coffin, Malcolm Cowley, Manny Farber, Ralph Martin, Angus McDonald, Thomas F. Reynolds, Vincent Sheean, Willard Shelton, Stark Young*

TREASURER: *Daniel Mebane*
ADVERTISING MANAGER: *E. G. Wood*
CIRCULATION MANAGER: *Eric Shumway*
PRODUCTION MANAGER: *Anthony J. Ballo*

PUBLISHED WEEKLY AND COPYRIGHT, 1947, IN THE U. S. A. BY EDITORIAL PUBLICATIONS, INC., 40 EAST 49 ST., NEW YORK 17, N. Y. ENTERED AS SECOND CLASS MATTER, NOVEMBER 6, 1914, AT THE POST OFFICE AT NEW YORK, N. Y. UNDER THE ACT OF MARCH 3, 1879. SINGLE COPY, 15¢; YEARLY SUBSCRIPTION, SIX DOLLARS; CANADA AND FOREIGN, SEVEN DOLLARS. PRINTED IN THE U. S. A.

Wallace Speech

On December 29 Henry Wallace spoke as a guest at the New York meeting at which the Progressive Citizens of America was formed. Mr. Wallace is neither an officer nor a member of the PCA or the Americans for Democratic Action. The New Republic prints the complete text of his remarks to keep the record straight. — THE EDITORS

Unity for Progress

I AM GLAD to attend this meeting of independent citizens who believe in progressive political action. You have invested your time and money to try to elect progressive Democrats in many a hard campaign. You have shared in many victories for good government. You failed in some of the fights which you put on last fall, and most of you knew in advance that you would fail. But you went through with the fights because we had to keep the progressive torch burning. Battles have been lost, but there is a war to win. To keep the progressive faith alive is, with us, not a matter of political expediency but of profound American conviction.

The fundamental progressive faith is so broad that we should not allow ourselves to be divided on any minor issues. The essence of the progressive faith, as I see it, is belief in the goal of peace, prosperity and freedom in one world. Those who put hatred of Russia first in all their feelings and actions do not believe in peace. Those who hold up Russian standards as a guide for us in the United States do not believe in freedom. As American progressives we are not interested in any fight between the Russia-haters and the Russophiles. We believe that much of such fighting is engineered by the enemy. We shall not allow the attacks of the enemy to stampede us into foolish Red-baiting. Nor shall we allow those who owe their primary allegiance to some foreign power to determine our course.

Belief in freedom is the first article in our credo and we shall fight for all

(Continued on page 46.)

He reveals what only a handful have known about Russia's aims and motives! As chief of our military mission to Moscow, General Deane was an intimate participant in those events which shaped our present world. His record of secret happenings from 1943 to 1945 is vital and hitherto unpublished evidence on the way Russia behaves and what she really wants. \$3.75 By **JOHN R. DEANE**



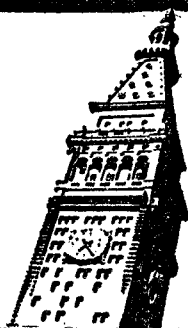
The Strange Alliance

The Story of our Efforts at Wartime Co-operation with Russia

SHELLEY

A Life Story

"Nowhere else has the story of Shelley's life been so well told."—*Times Literary Supplement*, London. In the light of newly discovered material, and with Blunden's intuitive sympathy and narrative talent, a more vivid Shelley emerges. \$3.75 By **EDMUND BLUNDEN**



From a struggling little company to the biggest business in the world, the story of a great public enterprise is told by a Pulitzer Prize-winning biographer. He reveals its history and its effect on millions of Americans in a fascinating and brilliant social study. Illustrated \$5.00 By **MARQUIS JAMES**

The Metropolitan Life

A Study in Business Growth

BALZAC

"It is a living, flesh-and-blood Balzac that Zweig evokes. His book is not merely a narration of external events; it is a creative portrait of the great novelist."—H. U. FOREST, *Philadelphia Inquirer*. Illustrated \$3.75. Book-of-the-Month Club Selection. By **STEFAN ZWEIG**

"By far the best portrait of Roosevelt up to now . . . A picture of Roosevelt's mind in operation, a picture unsurpassed elsewhere in detail or perception . . . Frances Perkins has discharged her obligation to historians with grace, fidelity, and insight."—ARTHUR M. SCHLESINGER, JR., *Atlantic Monthly*. Illus. \$3.75 By **FRANCES PERKINS**



The Roosevelt I Knew

BRANDEIS:

A Free Man's Life

"No man devoted to the cause of freedom and social justice will set down this book without being inspired . . . should be in every home library in the country."

—FRANCIS E. MCMAHON, *Chicago Sun*.

Illustrated \$5.00

By **ALPHEUS THOMAS MASON**



At all booksellers

THE VIKING PRESS



News in Focus

Secretary Marshall

Foreign Affairs

FOR THE first time in its history, for better or worse, the US this week turned over the conduct of its relations with other countries to a soldier. No one knew for sure how the experiment would turn out. The replacement of James F. Byrnes as Secretary of State by General George C. Marshall was a portent of many interesting probabilities:

☛ Increasing speculation about Marshall as a 1948 presidential or vice-presidential possibility, whether he liked it or not (all available evidence indicated he did not).

☛ Expansion of the military's already large role in the charting and executing of American foreign policy.

☛ Overhauling of the State Department's creaking, nineteenth-century machinery to make it function with some of the efficiency that was in the Army's General Staff when Marshall was its chief.

Those things appeared certain. The possibilities were even more intriguing:

☛ Marshall's appointment seemed likely to mean continuation of what Byrnes had described as a "patient but firm" attitude toward Russia—and there might be more accent on the "firm" part of the formula.

☛ It might mean revision of American policy toward China in light of the failure of Marshall's peace-making mission, but the direction of any possible change was hard to forecast.

☛ It could mean a new drive for "hemisphere unity," for enactment of a Pan-American, military-defense treaty and a consequent US retreat from the stand that Argentina must deport a hundred agents of Nazi Germany before being permitted to participate in such a pact.

On these and other aspects of foreign policy one could only speculate, and there were sharp differences of opinion. But all agreed that tall, gray, stern-visaged George Catlett Marshall was no ordinary soldier. He was, as one Washington correspondent put it, "a statesman who happened to be a general, not a general trying to be a statesman." Hence, even persons alarmed at the growing military influence in government generally hailed Marshall's appointment to the number-one cabinet post.

Marshall's statement last week on the failure of his China mission (see page 9)—with its blasts against Kuomintang reactionaries—was anything but a product of the so-called "military mind." Few old Army men would have said, as Marshall did, that he deplored the Chinese military's dominating influence over the civil government.

But Washington long had known that Marshall was no ordinary soldier. In addition to being the first regular Army officer ever to become Secretary of State, he had been the second Army Chief of Staff in history who did not attend West Point. And to put him in that vital job on the eve of World War II, Franklin D. Roosevelt had jumped Marshall over 34 officers with higher seniority. His genius for organization and administration, which played so great a part in winning a global war for the Allies, more than justified Roosevelt's faith and won Marshall the confidence of Congress, the nation and Allied military and political leaders.

How completely he enjoys the confidence of a Republican-controlled Congress was demonstrated spectacularly when the Senate rushed through unanimous confirmation of his appointment in a matter of minutes. The Foreign Relations Committee, on recommendation of Senator Vandenberg, dispensed

entirely with the usual hearings on the nomination.

Marshall also gained considerable wartime reputation as a diplomat because of his ability to compose differences on the US joint chiefs of staff and the British-American combined chiefs. But he could be a hard rock on fundamentals. He insisted that the quickest way to knock Germany out of the war was to invade Europe across the English Channel and he won that fight over Winston Churchill, who preferred an Anglo-American invasion of the Balkans. The tiff with Churchill, however, cost Marshall the most coveted military assignment of the war—top command of the second-front invasion. Russian leaders respect Marshall for his stand on that occasion and that fact should not hamper at least his relations with Foreign Minister Molotov at the forthcoming German and Austrian treaty deliberations in Moscow.

His war experience, including participation in all Big Three conferences, plus the 13 months of painstaking effort Marshall has just completed in China, give him a background in world affairs far more extensive than Byrnes had when he became Secretary of State. The 66-year-old soldier-statesman seems certain of complete coöperation from President Truman, who sometimes refers to Marshall as "the greatest living American."

Big Broom

State Department

A SWEEPING reorganization of the staid old State Department seemed as inevitable as death and Republican tax reductions. The only question was how soon Secretary George C. Marshall would get out the broom.

For the present, Marshall probably would have to give top priority to preparing for the Moscow Conference in

March, at which the Big Four foreign ministers would try to draw up peace treaties for Germany and Austria. But the exacting Marshall might be unable to resist an early start in overhauling State's outmoded operating machinery—by which day-to-day diplomacy is conducted.

State's methods and machinery were largely unchanged during the long tenure of Cordell Hull. Edward R. Stettinius changed the top-level structure a bit, but his reorganization efforts were shorter-lived than his term as Secretary. James F. Byrnes talked about "a reorganization to end all reorganizations," but made little progress because of his long absences at international conferences. The State Department was anything but a "team" under Byrnes, who operated almost entirely with a tight circle of advisers and delegated little authority.

Things would be different under Marshall. Persons who watched him function as Army Chief of Staff say he will insist on closely knit staff work, that he will delegate authority, demand performance and expect his aides to drive themselves as hard as he does. When he went to China as President Truman's peace-making envoy, Marshall astonished the diplomatic colony in Chungking by setting up a General Headquarters which operated on a 24-hour-per-day schedule.

In addition to streamlining the department, Marshall will face the necessity of filling several top State jobs shortly. It would be natural for him to "draft" Army men who served under him in the War Department to carry out the reorganization and fill the key vacancies at State. Such a procedure would extend the already potent military influence on foreign policy.

A glance at the men who probably will make up the American delegation to Moscow illustrates how far the military's role in diplomacy has progressed to date. In addition to Marshall, General Mark W. Clark and Lieutenant General Lucius D. Clay, US Military Governors of Austria and Germany, respectively, and Lieutenant General Walter Bedell Smith, US Ambassador to Russia, are almost sure to be on hand. Another likely delegate is Major General John H. Hill-

dring, now Assistant Secretary of State for Occupied Areas. Hilldring seems certain to retain his State Department post with Marshall, under whom he served at the War Department.

The future of Spruille Braden, Assistant Secretary of State for American Republic affairs, depends entirely on the stand Marshall takes toward the Peron government of Argentina. If Marshall agrees with many of his former Army associates that the projected Pan-American Defense Treaty should be concluded speedily, he will have to retreat from the present US demand that Argentina expel key Nazi agents before participating in such a pact. In that event, Braden will go. In a Cleveland speech, Senator Vandenberg indicated that the GOP might favor that course. Hence, the Braden question may provide an early indication of Marshall's willingness to say "no" to his fellow generals and stand up to the majority party in Congress as well.

Reward of Labor

West Virginia

SCHOOL Principal Erskine Richmond, typical of underpaid US teachers, was earning only \$178 a month supervising a two-room schoolhouse for the Raleigh County Board of Education. To make ends meet, Richmond got a job on the side—digging coal eight hours a day in a West Virginia mine. The Board of Education suspended Richmond after parents complained that the principal excused his pupils early in order to catch the afternoon shift into the mine. Richmond ruefully testified that he earned nearly twice as much digging coal as his pay for educating youngsters.

Monty's Visit

Moscow

RUSSIAN good will toward Britain welled up last week with the visit to Moscow of Field Marshal Viscount Bernard Montgomery, who came as the guest of burly, jovial Marshal Vasilevsky, staff chief of Soviet armed forces. Within a few moments of his arrival at a snowclad Moscow air field, the chief of the British Imperial General Staff pleased Russians by according more generous praise to the Red Army and show-

ing more appreciation of the Russian people's wartime sacrifices than has been heard from a British public figure for many a day. The tribute did not pass unreturned. Toward the close of Montgomery's visit, both the Soviet Army newspaper *Red Star* and influential *Izvestia* splashed on their pages glowing descriptions of El Alamein by two of the Soviet Union's most expert military analysts.

Forestalling the questions of Moscow's newshungry diplomats concerning the ulterior motive of his visit, the Field Marshal did not leave the air port before he had made a firm statement that he came only as a soldier. Reciting from memory the official text of his prepared address, he pointedly added a phrase to indicate that he was not out for diplomatic laurels but to improve relations between the British and Russian armies.

The example of many such events in the past, however, had already made up the minds of Moscow observers. They regarded Montgomery's visit and the promise he extracted from his host to visit him in England next spring to mean a consolidation of recent gains toward negotiating peace settlements in Germany and Austria. Admittedly, these observers added, the actual negotiations belong to the diplomats. But what Montgomery called "soldier's business" includes taking final responsibility for the governing of Germany and keeping the peace. Furthermore, in Berlin, Vienna and, one day soon, in Trieste, British and Russian soldiers will have to share arduous responsibilities. The chances are that the amity and fair words in Moscow will be reflected in relations elsewhere. What kind of peace can one expect, these observers asked, if the soldiers who won it cannot get along with each other?

Getting along with each other in Moscow last week included opening wide to Montgomery every door in Moscow's three main military-training establishments. Among them was the Voroshilovgrad Academy, the highest military school for the training of general staff officers and probably the innermost sanctum of Soviet military life. "Quite wonderful" was how Montgomery described the frankness with which



WHERE DO THEY GO FROM HERE?

his hosts answered his searching inquiries. The Field Marshal was no less delighted to find the Russians equally good listeners. Such matters as the operating details of the Stalin heavy tank, which have been giving British military attachés headaches since the tank first appeared, were taken by Montgomery in his stride. He probably learned more about the Soviet Army in a few hours than official missions had discovered in as many years.

British Embassy officials denied that Foreign Minister Ernest Bevin had delegated any diplomatic business to Montgomery. But British Minister Frank Roberts suddenly decided upon a significant return to London in the Field Marshal's special plane.

Merry-Go-Round

United Nations

DIPLOMATS the world over are reacting skeptically to the ever changing character of the personnel executing US foreign policy. The misgivings do not end with the process by which four widely differing personalities have successively filled the post of US Secretary

of State. They extend to the fact that no less than seven Americans holding important positions inside the UN framework have abandoned their tasks within the first year of the UN's precarious beginnings.

Last week John B. Hutson, who came to the UN from 25 years of service with the US Department of Agriculture, resigned from his post as Assistant Secretary General for UN administrative and financial affairs. Although Hutson retired under fire, his resignation added fuel to anti-American feelings among other UN members. The argument has been posed that in many cases the US has refused to send its best men to the world organization and that in almost all cases it has been unable to keep them there.

Since his appointment, Hutson had frequently been criticized for administrative weakness and unsatisfactory dealings with UN colleagues. Whether or not the charges were well founded, his retirement was the latest in a long string of American changeovers. Edward R. Stettinius, former Secretary of State, quit his post as Security Council representative to pursue the academic life of

Rector of the University of Virginia. Eugene Meyer, former publisher of the *Washington Post*, left his job as president of the World Bank after only a few months. John G. Winant, former US ambassador in London and lately representative to the UN Economic and Social Council, also has returned to private life. Bernard Baruch withdrew as US delegate to the Atomic Energy Commission (see page 34) and Senators Connally and Vandenberg have announced that congressional duties will prevent their return to the General Assembly.

The net effect of this trend, according to the *New York Times*, is "not calculated to impress other nations with the seriousness of our purpose toward the United Nations."

Flimsy Device

California

OWNERS of a San Francisco apartment house thought they had found a slick way to beat rent control. They installed a directory of tenants in the lobby and raised rents from \$42.40 to \$75 a month on the ground that the

change made the structure an office building. "Flimsiest device I ever heard of," said the federal judge who granted an injunction.

Talmadge v. Thompson

Georgia

THE LEGAL tangle inherited after the death of Governor-elect Eugene Talmadge snarled Georgia's General Assembly in a knotty fight to replace the departed champion of the cracker country. Eugene's son Herman, a sliver off the old block, thought that the legislature (if it chose) could constitutionally vote him into office. Progressive M. E. Thompson violently disagreed and claimed enough Assembly votes to head off Herman. Thompson had been elected Lieutenant Governor in the same balloting which returned Talmadge the elder and stuck stoutly to his own right of succession.

Ellis Arnall, the incumbent chief executive, backed up Thompson in a dramatic move on the eve of the Assembly battle. Although his term still had four days to run, Arnall suddenly resigned, but laid down a condition: that his resignation would not take effect until Thompson had been qualified as his successor. Young Talmadge claimed a foul. "Just another effort by Governor Arnall to dictate his successor," he protested. "I am confident that when the legislature elects me . . . Arnall will comply with the law."

Abdullah's Crescent

Middle East

ONE OF RUSSIA's most persistent nightmares roamed at large last week in the Middle East. A Moslem *cordon sanitaire* across Russia's southern approaches had often been encouraged by the British Foreign Office and was eagerly embraced after the war by the wobbly feudal government of the Middle East.

Trans-Jordan's King Abdullah, exponent of an "alliance against expansion," arrived in Ankara to promote the plan. Abdullah hoped that the British would one day place him on the throne of a Greater Syria. He became a king last summer when Britain

granted Trans-Jordan an "independence" under which unlimited British garrisons can remain in the country. Since then, Abdullah had redoubled his campaign for a military pact linking the Arab League members with Turkey, Iran and Afghanistan. The new anti-Comintern pact would embrace a crescent running from Egypt through the Middle East, then swinging west to the edge of the Slavic Balkan states.

In Turkey, Abdullah was hammering the northwest corner of the crescent. The Turks, whose overtures to the Arab world last year were received somewhat coolly, were glad to see him. The trained Turkish press gurgled its love for Arabs in general and for Abdullah in particular. President Inonu welcomed a cooperation that would "help the efforts of the Western countries to establish peace."

Farther south, Abdullah's spadework was yielding returns. Opposition to a liaison with Turkey was decreasing. Iraq was about to sign a Turkish treaty whose terms had been carefully guarded. The Lebanese President visited Ankara last fall. Saudi Arabia's Ibn Saud, arch-rival to Abdullah, had reportedly been invited to Bagdad for conversion. Egypt's shaky government, plagued by leftist student riots, could no longer be choosy about its allies.

The US role in these developments was obligingly helpful to the scheme. Our State Department had urged Egypt to accept the treaty terms offered by British Foreign Minister Bevin. We had maintained a loud silence over Palestine, after customary election-year platitudes. Only in the sphere of oil contracts had there been independent US action. That action—a private Anglo-American division of Middle East oil reserves—was well suited to Abdullah's dream.

Gambling Business

New York City

WHEN gambler Alvin J. Paris was put on trial for trying to fix the outcome of a professional football play-off, one of those called for jury duty was William H. Haskell, a Wall Street veteran connected with the trading firm of E. F. Hutton & Company. Haskell asked the court to be excused because

"I'm in the gambling business myself." The remark immediately cost him his job and the privileges of the New York Stock Exchange. Stock Exchange President Emil Schram said Haskell's statement showed a "misconception" of the securities business. A Hutton official added: "There is a vast difference between speculation and gambling."

The Worst

Labor

LABOR was expecting the worst. It was just as well. As soon as the 80th Congress convened, labor-taming bills flooded the hoppers. More, many more, were to come. Having anticipated the gush, the CIO moved fast with its answers to the worst of the lot.

Senator Ball (R, Minn.) opened the tap for Republicans with three bitter potions. In one, he proposed to end industrywide bargaining. To 50 reporters crowding into his narrow office, brooding Joe Ball explained frankly that he was out to put bargaining back in the hands of local unions. He would stop the internationals from even suggesting what terms the locals should ask for. The CIO and the AFL, Ball predicted, would become loose-jointed associations.

The CIO had seen this one coming. The NAM had proposed it first. The CIO agreed with Ball's interpretation of the bill's effect. Under its terms the United Steelworkers, for example, could not formulate a unified wage policy to be presented at the same time to US Steel, Republic, Bethlehem or "any two of these giant institutions." Unions would have to go back, as they did years ago, to taking on one employer at a time. The result would be competition in wage-cutting.

Another Ball bill would ban the closed shop. The CIO considered it "an open invitation to all employers to destroy and cripple unions." In a third proposal Ball was joined by Senators Taft (R, Ohio) and Smith (R, N. J.), his confreres in working out the Republican labor policy. They called for the establishment of a new mediation board outside the Department of Labor. Strikes would be outlawed for 60 days while the board went to work. The CIO cited the 1941 Republican platform which ac-

cused the New Deal of "emasculating" the Labor Department by setting up similar outside agencies.

In the House, Representative Case (R, S. D.) rushed in again with his notorious bill which the President vetoed during the last Congress. In its revamped style, the Case bill now authorized the government to enjoin labor unions from strikes on the ground that they endangered the public welfare. But House Republicans shied away. They announced that they would come out with their own bill unencumbered by the doubtful asset of Case's name.

Balanced Budget

The President

FOR THE first time in 18 years a President laid a balanced budget before Congress. For the first time in 18 Congresses, a President also sent to the elected representatives of the people an economic budget—a carefully studied appraisal of how wages, prices, profits and other economic factors would have to be balanced to keep the country prosperous and economically healthful. For these achievements, Harry S. Truman expected and promptly received a slapping down from his critical Republican opposition.

Truman considered his budget "tight." To hold expenditures to \$37.3 billion, only a shade less than the \$37.7 billion he estimated the government would take in during the next fiscal year, he had pared budget requests relentlessly. The President's argument in support of his budget was as tightly reasoned. Interest on the debt and tax refunds would take \$7.1 billion, operating expense of the Army and Navy \$11.2 billion, international obligations \$3.5 billion and veterans' services and benefits, \$7.3 billion. These were irreducibles, and alone they added up to \$29.2 billion. There were other musts. The Atomic Energy Commission would need \$443 million, agricultural payments had to be made, the housing program, mostly loans to veterans, carried on, the social-security, health and education programs maintained on at least a minimum basis. That brought expenditures to \$35.4 billion, and left \$2.1 billion for all the rest of the government.

Defeat in China

PERMANENT peace in Asia rests upon peace within China. For more than two years, the cornerstone of American policy for half the world had been America's effort to create such a peace in China. Last week, in a bitter, measured statement, George C. Marshall gave the American people an account of the greatest defeat their policy had sustained since the end of the war.

Thirteen months ago Marshall flew from Washington to lend his services in setting up a representative government to achieve unity and democracy in China. After a year of fruitless effort, he returned from a China still tortured by war, further from unity than ever. Democracy in China was a promise committed to paper in a new constitution published in all the villages for people too ignorant and wretched to read.

Marshall spelled out the elements of the situation more boldly than had ever been done before in a public official document. On the one hand he found the government of China under control of a "dominant group of reactionaries" whose opposition to his efforts had been "devastating in its effects." On the other hand, he found in the Communists men who would not hesitate at "the most drastic measures to attain their ends." Between these two groups he found a practically unbridgeable gulf of distrust and suspicion. Of hope, Marshall offered only a meager morsel—that the liberals in the government and minority parties might assume leadership; but even that hope was a thin one, he admitted, for the liberals lacked political power.

In effect, Marshall's report was a memorandum to himself. Secretary of State Marshall would now decide what the US should do on the basis of the facts that emissary Marshall had presented. But to make his first administrative decisions he would

need to consider another set of facts not included in his report to the public:

1. Previous commitments to the Chinese government and our legal interpretation of them had made the job of Marshall, the mediator, impossible.

2. No matter how legal it had been to supply US arms and supplies to Chiang Kai-shek after V-J Day (when Chiang was already waging civil war), the effect had been political catastrophe.

3. US policy had strengthened the dominant military groups, whom Marshall excoriated, beyond all hope of concession.

4. The policy had forced the Chinese Communists into a position of open hostility to the US and unloosed a barrage of almost hysterical vituperation.

In China, however, the Marshall statement would at least strike quivering uneasiness in the Kuomintang camp; it would enormously strengthen the hand of China's liberal and minority parties. And in the US it would strip our policy of the hopeful illusion that there was anywhere in China, and particularly in the Kuomintang Party, a responsible group of men with whom we might conduct affairs on terms of affection.

There was so much discontent in China, hatred so deep and enduring between the dominant parties, misery and terror so widespread through all the villages and cities, that no political solution conceived in America, or by an American, seemed likely to meet the needs of the Chinese people themselves. The US would have to decide whether it would permit the contending forces to find their natural equilibrium without artificial intervention by an outside power, or continue to deal in China with the apparatus of terror.

This meant no income-tax reductions. As a matter of fact, the President said, Congress should keep the excise taxes at their wartime 20 percent instead of letting them drop to 10 percent on July 1. (See page 13.) Republicans and Democrats who were hell-bent on a 20-percent slash in income taxes and a budget not a cent over \$33.5 billion immediately shrieked, "Shockingly disappointing." Senator Bridges (R, N.H.) and Representative Taber (R, N.Y.), chairmen of the Senate and House Appropriations Committees, threatened that they would show the President how to cut, and sharpened their axes.

The President's Economic Report (prepared by his Economic Council) bore out the CIO analysis of what had happened to wages, prices and profits. (See page 27.) It found that the first had gone up 15 percent in the last six months of 1946, real wages were down, and that profits had risen 33 percent since 1945. But, on the remedy, the Economic Council parted company with the CIO. If wages were raised enough to make up the difference, prices would spiral, the council predicted. The council's solution, and it was close to that of the NAM, was to increase consumer purchasing power through reduced prices, but not to overlook the desirability of wage increases in certain industries.

Power Publishers

The Press

THE NATION'S giant magazine and newspaper publishers are breathing easier. The worried Lords of the Press had run into a brick wall when they tried to persuade Senator James Murray (D, Mont.), former chairman of the Small Business Committee, to call off a probe of the newsprint and newspaper monopoly. The Republican election victory gave them their break. By the time hearings were scheduled to begin last week, they had persuaded GOP signal-caller Robert A. Taft (R, Ohio)—whose family controls the prosperous Cincinnati *Times-Star*—to shake his head disapprovingly. The hearings were promptly canceled. As a result, the public was temporarily cheated out of some significant testimony on the real nature of US freedom of the press:

¶ Five magazine publishers—Time, Inc., Curtis, Crowell-Collier, Hearst, and McCall—consume about 52 percent (or 480,000 tons out of 920,000 tons) of the paper available to the entire magazine-publishing industry. The other 48 percent must be split by some 6,000 other periodicals.

¶ Three newspaper chains—Hearst, Patterson-McCormick, and Scripps-

Howard—control 25 percent of the newsprint. Thousands of independent weeklies and more than 1,900 dailies must scramble for the remainder.

¶ Only 127 of 1,394 US cities with daily papers enjoy the benefits of competition. Newspaper readers in 1,277 cities must either rely on a single paper or, if there are others, on papers published and edited by the same interests.

¶ The number of competitive papers continues to fall. From 1930 to 1944, a total of 576 newspapers were suspended, merged or modified from daily to weekly publication.

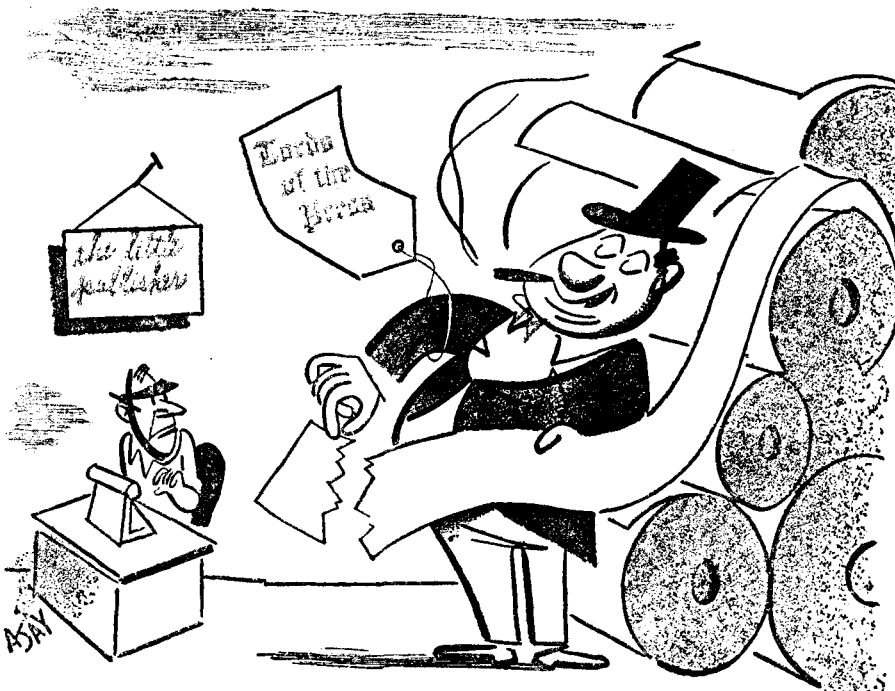
Before the lid was lowered, the committee had made a thorough study of the concentration of paper mills, price collusion and paper shortages. It found that the Canadian subsidiary of the International Paper Company, which owns 30 mills in the US, and two other Canadian producers monopolized 50 percent of the Canadian newsprint industry, the source of 80 to 85 percent of US newsprint.

Poking into postal subsidies (originally voted to encourage the distribution of news published by independents of modest means), the committee also discovered that the US Government was actually absorbing tremendous mailing costs for highly profitable publishing ventures. The Luce threesome—*Time*, *Life* and *Fortune*—costs the Post Office Department and the US taxpayers \$3 million a year. Senator Murray had intended to recommend that the big publishers foot their own postal bills. Despite the muzzled hearings, Murray planned to issue a report on his own hook covering the whole subject of the concentrated power of the US press.

Focus on This

Labor

ARTISTS' models in California are demanding a new wage scale of \$1.50 an hour for posing fully clothed and \$2 for posing in the nude. Dorothy Vetter, treasurer of the Association of Professional Models, is not sure of the economics behind the 50-cent differential: "We really don't know ourselves. Just tradition I guess. It's really more comfortable without clothing."



"HERE'S YOUR SHARE, MY FRIEND... FEEL FREE TO PRINT
WHATEVER YOU LIKE"

Washington Wire



For the Record

AT MIDNIGHT our wife called from the head of the stairs, "T.R.B., come to bed!"

But we couldn't. We were reading the President's Economic Report and were stirred and fascinated by it. There it all is, in muted tones to be sure, the diagnosis of our economic crisis, virtually the same as the Nathan report. In cool, calm, dispassionate phrases, without an adjective or adverb, the story is told; the catastrophic jump in prices after removal of controls, the figures of huge 1946 corporate profits (which increased one-third over 1945!) the unhappy plight of the workers, who made some gains in wages but not enough to keep pace with galloping living costs (which, of course, largely explains the destructive strikes last year). The report urges discriminating wage increases, but puts main reliance on lowering prices. Still in cool, impersonal, rather involuted phrases, it warns of what's going to happen if price cuts don't come—and fast.

And this is the funny part about it; this is what held us fascinated as somehow typifying the whole muddled, screwball postwar period: the President who capitulated last year to panoplied pressure groups and ended price controls, thus creating today's crisis, now appeals to the same wreckers to cut prices voluntarily to restore the damage. Well, if it all depends on *them*—Mild Recession, here we come!

It was interesting to see how newspapers treated this definitive economic diagnosis. The leader of the fight that destroyed price controls, the *New York Times*, whose mental arteries are far more hardened on economic matters than the Republican *Herald Tribune*, bridled and recoiled from the evidence like a prissy maiden aunt. The *Herald Tribune*, refreshingly enough, accepted the report on its own terms and acknowledged the huge size of corpora-

tion profits. And most other newspapers pretty well ignored the matter. Yes, the report has the facts in it, but its voice is consciously colorless. There is no ringing challenge to instant action; it was written for history and its tone is as dull as a leaden bell.

THE Senate GOP Patronage Committee under Styles Bridges of New Hampshire last week ousted Dr. Frederick Brown Harris (Methodist) and substituted without warning Dr. Peter Marshall (Presbyterian) as Senate Chaplain. The political plum carries \$2,520 and involves the two-minute opening prayers before sessions. Both ministers are estimable heads of local churches and Dr. Marshall may not even have known a contest was involved. But the fact remains that a Man of God is now included in the federal patronage list, along with the miserable Capitol elevator boys, clerks and policemen, who are being fired. Democrats indignantly protested. Minority leader Barkley (D, Ky.), who is a gentleman, was genuinely shocked. He pointed out that Dr. Harris' predecessor, though originally picked by Republicans, was retained by Democrats and served 15 years, till his death.

But Dr. Marshall has the ill fortune of having Chairman Bridges and GOP whip Wherry among his parishioners. Bridges told the Senate lamely enough that his Patronage Committee had made the decision "since the Republican Party was returning to the control of the Senate after a long period." Wherry struck an absurd attitude and asked the Senate to rise "above partisan politics," an appeal so incongruous under the circumstances that even fellow Republicans laughed and the galleries roared, and later Wherry quietly struck the line from the printed record.

A direct vote was taken on this strange issue and GOP-backed Presbyterian beat out Methodist. . . . Ah, well, maybe it's all for the best. While, of

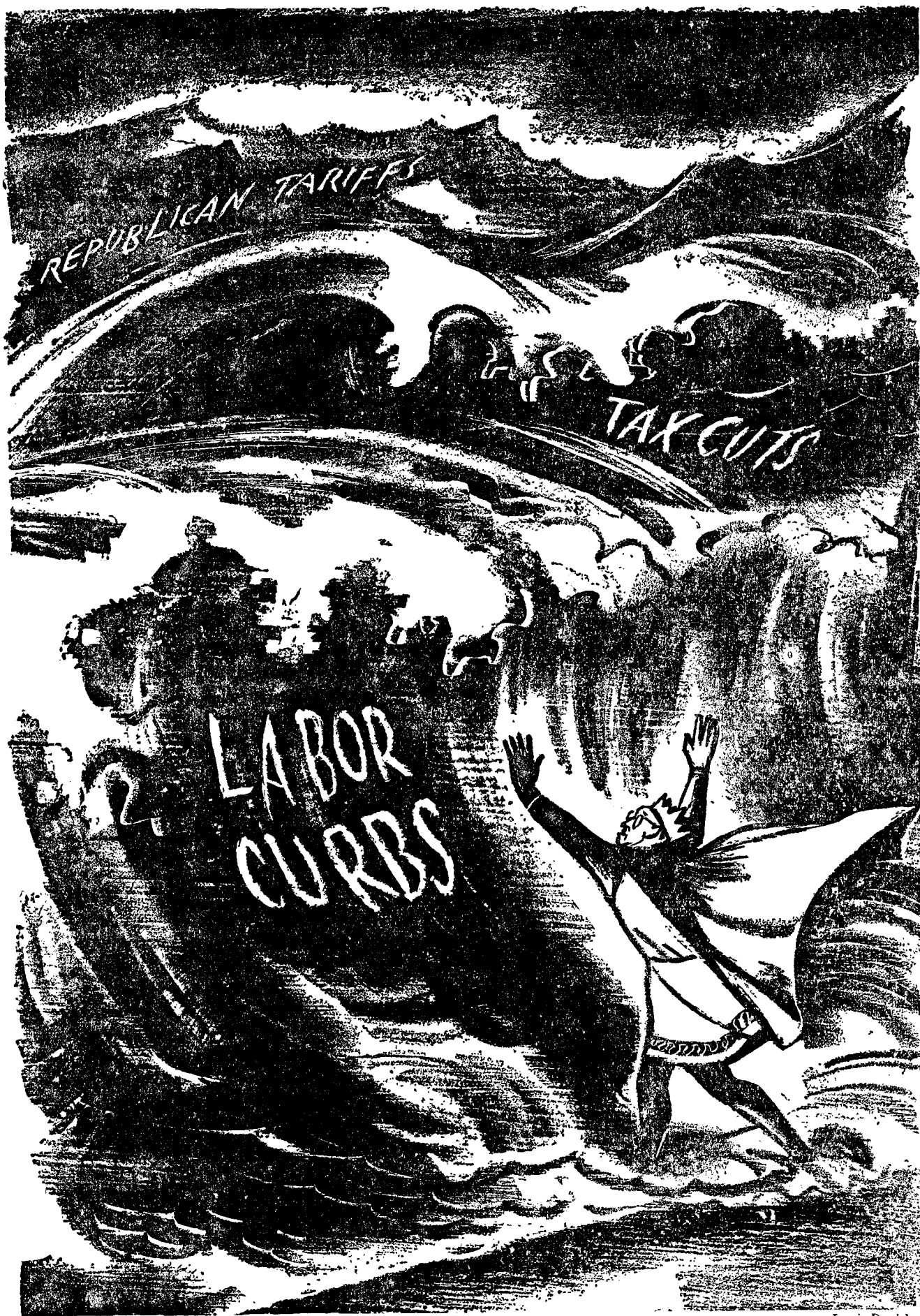
course, some agnostics may contend that a paid Senate Chaplain is an absurd archaism in the United States, will not any right-thinking, red-blooded American acknowledge that the sum of \$2,520 is paltry enough for a man carrying on his shoulders the religious responsibilities of the Senate?

GENERAL George C. Marshall is one of our favorites. In the war he seemed to be a cool tower of strength in Washington. If all generals were like Marshall we shouldn't worry about militarizing the government. About the appointment we have one political reaction: We don't visualize Marshall as a presidential candidate, though some do. Maybe we are wrong, but he seems to us too old, too disciplined, too proud. Marshall is 66; if he became President two years hence he would be 72 at the end of his first term, 76 at the end of a second, which is getting pretty well on. Second, we think Truman himself will run if he sees any chance of victory, and Marshall won't counter his superior. Finally, if chances of victory are slim, we doubt if Marshall would take the risk anyway, since his proud place in history is already assured. Having said all this, let us add that we could think of a lot worse people in the White House.

WE WISH to report that one of our advance guesses about the Truman budget was wrong, and we are glad to find it so. Truman did not ask for a mild tax reduction; on the contrary he insisted on no tax reduction at all. He deserves credit for nailing his colors to the mast on this issue, and we imagine it will embarrass the tax-cut-promising GOP a good deal. We hope so. This is really a moral problem for Republicans. Sound fiscal policy, as every conservative knows, means cutting debts to the limit in times of prosperity. Well, are they going to do it?

Washington

T. R. B.



Lewis Daniel

"SEA," CRIED CANUTE, "STOP YOUR ROLLING"

For All Good Men

by Griffing Bancroft

The tone of President Truman's messages to the Republican Congress is reasonable, optimistic and mildly liberal

IN THREE separate messages, the President has now laid before Congress and the people his domestic program for 1947, together with an outline of his foreign policy and some general views as to the long-range future.

The first of these, the traditional State-of-the-Union message, was a disappointment. Except in the field of labor legislation, it was vague and loaded with generalities.

It was the only one of the messages which touched on foreign political policy as such and about the only firm declaration it contained in this field was the reassurance, if any were needed, that America will not be guilty of leading the way to disarmament.

The President stated forcefully, and received congressional applause when he did it, that this country will not shed any of its military power until other nations do the same or until a full-grown and effective system of international security is at hand.

In the only really specific sections of this message the President asked that jurisdictional strikes and secondary boycotts to enforce jurisdictional strikes be outlawed; but, more important, he warned Congress that it should go no further than this in anti-labor legislation. Thus, the President is on record in this field, and if he stands firm and exercises his veto against the kind of

legislation the Republicans are discussing, he may prevail.

The last of the three messages, the proposed annual budget, contained no surprises, but that should not lessen its importance. Decisions as to government spending and government taxing will vitally affect our economic future. In setting a balanced budget of \$37.3 billion the President has outlined a federal spending program which reduces the cost of government pretty well down to bare essentials except for military outlays and aid to veterans.

In vigorously defending the view that taxes should stay where they are, Truman is taking the only possible course toward a balanced budget without federal curtailments below essentials. He could have supported tax relief for the very bottom income-tax payers in order to help boost mass purchasing power, but, in view of the Republican tendency to give the lion's share of tax relief to upper incomes, he probably is wiser in opposing any tampering with tax tables at this time. All statements on the part of Republicans indicate they are not going to agree with either Truman's spending or his taxing plans. He can do nothing about the spending, since that will be determined wholly by Congress, but with the use of the veto he can probably hold the line on taxes.

The second message—the new economic report required by the so-called Full Employment Act—overshadowed the others in comprehensiveness and

specific detail. And, if the three messages are taken together, the Administration's domestic program appears in its entirety.

This program is optimistic, even to the extent of predicting that the American standard of living can be doubled within the lifetime of men now living. There will be little argument with the thesis that the way to start on this path is to increase mass purchasing power. There will be more disagreement with the President's contention, stated over and over, that this purchasing power can best be increased by reducing prices rather than by increasing wages.

In seeking to specify how prices can be reduced the President is not so certain of himself. He offers the encouragement of competitive enterprise, vigorous anti-trust enforcement, stimulation of marketing, research into new productive methods and a few other measures which hit more at the outer fringe of the problem than at the core of it.

A large part of the messages, it is true, is a plea to both business and labor to behave. He begs the one to reduce prices whenever profits will permit and he urges the other to refrain from exorbitant wage demands. During a war, when the emotional pressure of patriotism can be invoked, such appeals usually work after a fashion. But over the long haul it is safe to assume that business and labor will take all they can get, and, if either or both of them can get so much as to threaten our economy, some system other than free competition will have to be found to prevent it.

To ensure mass purchasing power

FORTUNATELY, however, the President is far from basing his appeal entirely on voluntary generosity. The concrete steps he suggests are about as far as the government, shorn of most of its wartime powers, can go in forcing direct price reductions and remain dedicated, as it is, to the free-enterprise system.

The theory of a full, or maximum, economy is defeated if prices are reduced because of shrinkage in demand. The demand, translated into effectiveness by real purchasing power, must be main-

Griffing Bancroft is a member of the Chicago Sun's Washington Bureau, specializing in domestic affairs.

tained and even increased. The President "hopes" that the system will eventually be able to force prices to a fair level and turns his attention to direct ways of increasing purchasing power.

The big, obvious way to do this is to increase wages. But this, as a general panacea, the President eschews, although he is careful to state his belief that wage increases are needed in certain industries. The raises obtained most effectively are in the highly organized industries and, as the President rightly points out, further general increases here would not give the mass distribution of increased purchasing power needed to curb the forces working toward depression.

The way to higher profits

ALTHOUGH he does not stress it in the body of his messages, Truman does, however, offer good, solid alternatives for maintaining consumer demand. It may be that these were buried because he knows he is whistling in dark congressional corridors, but the President urges that mass consumer buying power be maintained and increased by giving to the millions at the bottom rung of the economic ladder greater social-security benefits, unemployment compensation, health insurance, low-cost shelter and protection from racial or religious discrimination.

This amounts to a restatement of the social and welfare provisions of Truman's now famous 21 points, virtually all of which died in the last session of Congress. These were the social heritage of the early days of President Roosevelt, killed by the first postwar Democratic Congress and more than likely to meet the same fate at the hands of the second, Republican Congress.

But these measures are now presented in a different setting. Evidently concluding that he can get nowhere with a humanitarian appeal, the President is urging an increase in bottom incomes and in mass security on the plain ground that this is the way to higher profits.

It is a thesis difficult to argue against, but the prevailing feeling in Washington is that the new Congress will find a way to oppose it. The President, at least, has set forth his thesis even more clearly than most progressives had rea-

son to hope, and if he hammers away on his points, before the Congress and, more important, before the people, he may make some progress where none was made in 1946.

The alternatives are not pleasant to contemplate. As the official statistics with which the President's messages are generously interlarded make clear, the country is now at a stage of at least maximum, if not full, employment and production. The 1946 national production of \$205 billion is 50 percent above the best prewar levels. The present army of 58 million workers, not counting those in military service, is of record size, while the unemployed—that is, those without jobs who are actively seeking work—total only two million.

Most economists will agree that this constitutes practically full employment. In a country where men are free to come and go and change jobs as they will, there always will be a certain number looking for work. Most estimates are that two million such job seekers is about as low as the figure can ever get.

In the President's view, the immediate problem is in general to keep things as they are. But it was amply demonstrated after the First World War that such a state of affairs will not continue if simply left to itself. It needs to be helped, and the President's proposals at least offer a lead in that direction.

Buying power is dropping

FROM the welter of government statistics contained in the messages one major problem stands out. During the last quarter of 1946 prices rose sharply, profits increased tremendously, but—despite wage increases in some fields—real consumer buying power actually dropped. This is the trend that must be stopped. Private economists, identified with neither government, business nor labor, believe that if such a trend continues it will lead to unemployment of between five and seven million by the end of 1947. This is the alternative, then, to the maintenance of purchasing power, whether you choose to do it through wage increases or through price reduction, or both.

It is this relationship between wages and prices that is the key to the entire

problem, according to the President's messages. His Economic Report especially hits at this, and in spite of its faithful belief that depressions and even serious recessions can be avoided, it looks at trends in the last quarter of 1946 and sounds a warning that every man should heed: "If price and wage adjustments are not made—and made soon enough—there is danger that consumer buying will falter, orders to manufacturers will decline, production will drop and unemployment will grow."

This is the old, old story. But in seeking to combat it mainly through price reductions Truman is engaging in a dangerous pastime. If prices fall too much, the country can easily be led to a serious recession, in which many people would get hurt and many businesses would go bankrupt.

It is the firm and faithful belief of Truman and his economic advisers, however, that prices can be brought down enough to give the desired impetus to the real purchasing value of the consumer dollar and not so much as to wrench the economy unduly. It is, in any event, along this line that they seek the answer.

Tax relief for the needy

THERE is, of course, one further way to increase mass purchasing power without raising wages, and this the President purposely omitted. That is tax relief for the lower-income brackets.

To keep his record clear, the President might have added that if the Republican Congress is determined to reduce taxes, he would not object to a bill which simply raised personal income-tax exemptions or gave the benefit of the relief to the bottom taxpayers rather than to those at the top.

If taxes were cut \$5 billion and all of the cut were given to those now paying minimal levies, this would automatically add a widely distributed \$5 billion to mass purchasing power during 1947, and this would take care of a full quarter of the anticipated rise in national production and would help round out an economic program that would work. But maybe that would be asking too much. The President stands a poor chance of getting even part of his program accepted.

Seduction, Incorporated

by Thomas Whiteside

American women are beautiful, sleek and male-crazy in the advertisements of the hundred-million-dollar perfume industry

IT MIGHT be going too far to correlate the indigestion of whales with the mores of American civilization. Nevertheless, it is a fact that when whales swallow fishes with beaks, as is inevitable in the ordinary course of their affairs, they get indigestion. This indigestion often results in the formation of a dark mass known as ambergris. Ambergris is an ingredient of perfume, and the well stocked perfume industry is now producing remarkable appeals for warmer relations between our sexes.

That this benevolent campaign by our perfume industry, communicated through the advertising pages of the national press, is costly cannot be disputed. Extreme modesty of the industry's leaders (known to the trade as "The Noses") as to their financial position prevents a full accounting, but conservative estimates place their annual gross at \$100 million. Of that amount, The Noses donate probably \$20 million each year to their advertising colleagues for the preservation of Sex—and its indispensable companion, perfume.

By looking at our perfume ads, a stranger from afar would certainly realize that ours is an exotic country, peopled by uniformly beautiful, well dressed and cultured women who dedicate themselves exclusively to the friendliest understanding with the opposite sex. He would note with some surprise that few men appear in this world, and that when they do, they fail conspicuously to take full advantage of the opportunities

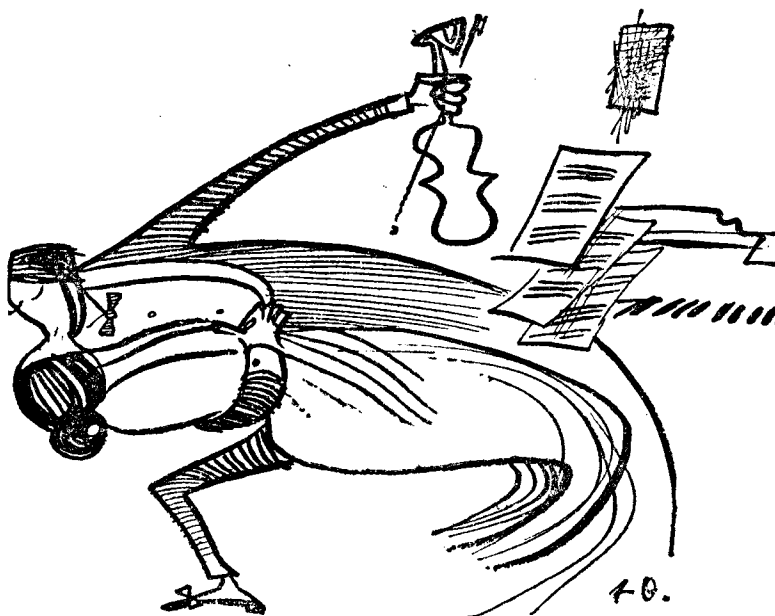
offered them. For the women in the perfume ads seldom establish rapport except with violinists. Other skilled groups seem much more elusive. Thus most of these attractive women wait around alone in a state of tense expectancy and frequently may be seen leaning against Corinthian pillars on the perch of some fine old Southern mansion, with tropical leaves to right and left and a lake, presumably private, in the background. An improbable reason for their solitude may be some unfortunate functional disturbance, for their heads are invariably tilted upwards at an angle of 45 degrees, which to outsiders is not normal. Whatever the reason, sheer beauty is not

enough, and perfume has to be resorted to.

A brief survey of the names of the perfumes indicates that the innate shyness of American women may be at the root of their inability, as seen in the ads, to interest men. Among the outstanding perfume names are *Frenzy*, *Innuendo*, *Mistress of the Night*, *Menace*, *My Sin*, *Intoxication*, *Danger*, *Shocking*, *Scandal*, *Whirlwind*, *Tailspin* and *Tigress*. As *Printers' Ink*, an admirable advertising journal, puts it, these names are "evocative."

Due to the moral upbringing of our women, who may consider sin un-American as well as improper, some cynical sociologists might doubt that such names would have a positive appeal. Many perfume advertisers, however, have cleverly taken care of this matter by presenting sin as a French phenomenon, very fashionable, importable and therefore desirable. Thus an ad for *Muse* remarks: "They are saying Paris . . . Who wears *Muse* shares the secrets of the Goddesses. . . ." In order to avoid the slightest confusion here, French names are usually translated into English. A perfume named *L'Offrande* is carefully translated as *The Offering*, and a subtitle to *Mais Oui* points out that the perfume may be known in English as *But Yes*. Conversely, *Follow Me* is subtitled *Suivez-Moi*.

In the illustration to this particular advertisement, a lady wearing a tiara



ONLY WITH VIOLINISTS DO WOMEN SEEM TO MAKE THE GRADE

walks bravely across the page while a pack of savage wolves snarl around the hem of her evening gown, which nevertheless seems immaculate. The lady's dress has no back, which is normal in the perfume ads, but has a front, which is abnormal. Shoulder straps are at a premium in the ads, resulting in considerable display of what Hollywood calls "cleavage."

Perhaps the best advertised perfume of all is *Tabu*. It is in the *Tabu* ads that the violinist always scores a success. Lately, the violinist has been pinned to a wall in picture form as an example and inspiration to the lady in the foreground. A statement under the lady advises that *Tabu*, "the forbidden perfume," is "for evenings of consequences." "Tonight CAN become very special," thinks the lady as she gazes at the lucky fiddler on the wall. The success of these ads has now so filled the *Tabu* copywriter with awe that he regards the perfume as practically sacred. "So intimate," he says in one of his latest efforts, "that there might be those who say you should wear it only when entirely alone." To carry out this point, the ad shows a woman sitting alone, clad in negligee, her hair down and a rather pinched look on her face.

White Shoulder perfume (no shoulder straps here either) scorns this approach. "Potent essence of desire to touch," it declares with regard to a primarily undressed lady over whom hovers

LATEST PERFUME COPYWRITERS' BRAINSTORM IS SCENT CALLED "MACABRE"

a pair of male hands. *Black Magic* shows the languorous, yearning face of a girl in the center of a spiderweb, and lets it go at that. Others get in a scientific angle. *Gay Manhattan*, whose bomblike bottle is reminiscent of the project of the same name, is advertised as being "so captivating . . . it drops a bombshell into every man's heart. . . ." Corday also advertises a supercharged perfume called *Jet*.

Forever Amber begs the readers of its ads to remember that "you are moving in a mist of the most deliberate provocativeness . . . forever desirable . . . forever amber."

The trouble with *Forever Amber* copywriters, like their confreres on *Tabu*, is that they are not always consistent. Only a few days after the *Forever Amber* man talked about "deliberate

provocativeness," he changed tack to leeward and talked of "haunting undertones." I hesitate to say that these terms are mutually exclusive, but they are not specific in the same way. To bolster this point, I quote from a recent article in *Printers' Ink* by Richard Manville, an advertising consultant, entitled "Specificness in Copy." Manville illustrates specificness, which is point four on his "Master Check List" of advertising musts, by these two headlines:

1. To a \$5,000 man who would like to be making \$10,000.
2. To men who want to work less and earn more.

Now Manville says the "To a \$5,000 man" ad sold four times better than the other, and quotes no less an expert than John Caples of Batten, Barton, Durstine and Osborn as explaining:

"In the second ad we felt we had one of the world's best headlines. It seemed to express what men have wanted ever since the world began." But it didn't go over. It did not have specificness. The same might be said not only of *Forever Amber* but of *Tropiques* ads. *Tropiques* is probably the most ambiguous perfume on the market since it is advertised as "mysterious as your mood"—whichever mood one happens to be in. On the other hand, *Frenzy* is nothing if not specific. The ads call it "sensuous as the beat of a tom-tom." This ad is illustrated in a forthright way by a girl beating a tom-tom. Drums are much in evidence all around. *Black Magic*, for example, is advertised as "drumming in his heart . . . burning in his soul."



"A WHISPERED INVITATION FOR A MAN TO BE MASTERFUL"

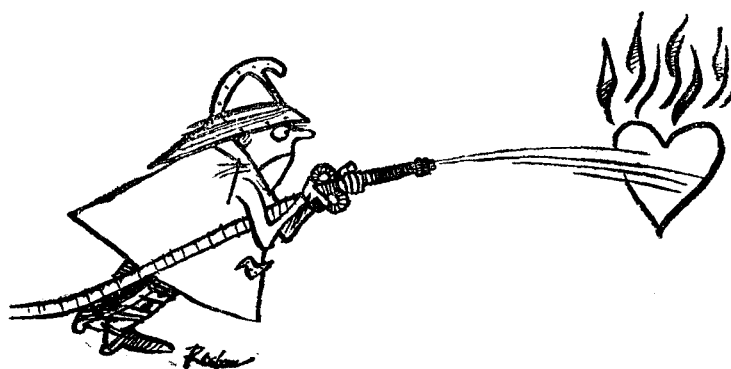
The same anthropological aura persists in the *Gri Gri* ads. As I recall, the WQXR announcer in his commercial said something about *Gri Gri* being a charm worn by ancient warriors. In the national magazines, *Gri Gri* is advertised by totemlike figures, very likely influenced by the Balinese, who pronounce the *Gri Gri* motto, "Good Fighting, Good Hunting, Good Loving." On the radio, however, the WQXR announcer invariably alters it to "Good Fighting, Good Hunting, Good Living."

On to the charnel house

IF *Gri Gri* cannot advocate love on the public air waves, the assumption is that the perfume industry has a tender, protective interest in the younger generation. A glance at *Mademoiselle*, a 'teen-age magazine, however, shows that the industry is inclined to be more tender than protective toward the drug-store set. "Challenge to conquest," says a *Mademoiselle* ad for *Jealousy*. Another perfume calculated to appeal to dimpled American girlhood is *Scarlet Street*. This perfume comes in an attractive bottle shaped like a street-walker's lamppost. *Scarlet Street* is issued by Sherry Dunn, Inc., an enterprising firm which has uncovered a new angle in perfume advertising. Its latest campaign heralds a new item called *Macabre*. Paintings for the ads have been specially made by John Decker. The first shows a corpse-like character right out of Roualt brooding over what looks like a dagger stuck in an inkwell. The dagger, advertised as "jeweled," contains *Macabre*. Jeweled-dagger refills may be had for the modest sum of \$9, plus tax.

Despite the fact that the perfume ads speak directly to American womanhood, women almost never buy perfume for themselves. Men buy it for women. Women buy it for other women. But not for themselves. *Printers' Ink* recently denounced this situation as "an anomaly intolerable from the sales view."

Until this anomaly is cleared up, perfume advertising will apparently pursue its gentle way. To put the whole thing in perspective, I went to an executive of one of our largest advertising agencies and asked for his thoughts on future trends in perfume advertising. "Sex," he replied, "and more sex."



Henry Wallace's Forum

An Open Letter to Secretary Marshall

DEAR SECRETARY MARSHALL:

THE citizens of the United States and the world were enormously impressed by the way in which you laid the plans and managed the armies in coöperation with our allies to win the war. As Vice President, I personally sat in at many war conferences between the members of the Congress and yourself. Toward no man in the executive branch of the government did Congress ever show a more complete confidence and respect.

Winning the peace, as you know better than I, is as difficult as winning the war. That is the reason I am writing this public letter to you. I wish you well in your new task, because wishing you well is wishing the United States well and the world well. You are more than a military man, and more than a diplomat, although you have shown great abilities in both fields. Your homecoming report on China was fairer and franker than most diplomatic documents. That you did not succeed completely in China is no reflection on your high talents.

You have seen in China the failure of American foreign policy in a single corner of the world; no man could have tried more brilliantly or more ably to implement this policy than you. That it failed was not your fault but the fault of its conception. As Secretary of State, it will be your responsibility to see that other men sent on similar missions have a more realistic and more practical policy to implement.

Our relations with China are only one phase of our relations with the world. But you will find, I believe, that the problem everywhere is the same. The basic problem is to adjust the attitude of our country to a world that is in full flood of change. In almost every nation that has suffered heavily in this war, men and women are desperately trying to alter the old order of things because the old order has brought upon them poverty, disaster and war.

In the face of this tide of history our foreign policy has been a static one; everywhere we have been on the defensive, erecting, as it were, Maginot Lines of the spirit. We have been in the position of saying "no" at Trieste, "no" in Poland, "no" in Iran, "no" in China, "no" on the atom bomb, "no" up and down the borders

of Eastern Europe. As a military man, you know that a static defense is a confession of defeatism, that Maginot Lines all crumble before dynamic assault.

What we need is a mobile offensive in our foreign policy, an affirmation of the revolutionary tradition out of which this country was born, a loud and ringing "yes" to the changes that the wrecked societies of Europe and Asia are demanding at once.

We have abandoned, almost by default, the sponsorship of these changes to Russia. We have permitted the Russians to parade themselves before all the colonial peoples of the world as the only enemy of "imperialism." Almost without a battle we have yielded to the Russians the loyalty of millions of workers and peasants in Europe because they believe that the Russians and not ourselves are their only guarantors against hunger and war. We cannot permit this to go on or we shall find our only allies the tired men who have lost the faith of their own people, the same men whom you characterized as "corrupt" and "reactionary" in China.

We cannot change our foreign policy by new statements but only by new actions. We must act to implement the Atlantic Charter; we must help the colonial peoples in their struggle to free themselves; we must lead rather than follow in opposition to such men as Franco. We must seek everywhere to find out what changes are needed in the devastated areas of the world to fill the stomachs and make busy the hands of the people; and we must be the first to sponsor them. Wherever we meet Russia in Europe, it is not Russia that is the enemy, but the devastation itself.

THERE will be many who will question the wisdom of having a military man either formulate or carry out foreign policy. They fear too much military activity in civilian fields in time of peace. To these I say that I found Secretary Marshall as a general fully imbued at all times with the American tradition that the military, as such, should carefully refrain from dominating civilian affairs. Your tradition in all respects is the democratic American tradition and none need ever fear that you will lend yourself in any way to anything which smacks of military dictatorship.

To my friends in Latin America, who have long feared the possibility of militarism or imperialism on the part of the United States, I say that your appointment is a tribute to you as a man and not as a military figure. Certainly the military should not be discriminated against in civilian life. But neither should it in any way dominate civilian life. With both of these statements I know that you are in complete accord. Other forces may push the United States in the direction of militarism or imperialism, but not you.

The *New Republic* may perhaps from time to time take issue with you on matters of foreign policy. When we do so we want you to know that our so doing will not in any way diminish our esteem for you as a man.

I have known you as a fellow gardener with whom I enjoyed comparing notes about the growing of tomatoes and sweet corn. Mrs. Wallace and I remember so well visiting with you and Mrs. Marshall shortly before you were called to the China mission. You were tired after your long war effort and both you and your wife were looking ahead with eagerness to rest on the Leesburg farm. And now instead of being called to rest you are given what is perhaps the most challenging job in the entire world.

With the highest personal esteem and wishing you the best of health and success in your new work, I am

Sincerely yours,

HENRY A. WALLACE

The President's Economic Report

THE President's Economic Report, transmitted to Congress on January 8, was, in my opinion, the most significant peacetime message ever sent to Congress. If Congress, the leaders of labor, the leaders of agriculture and the leaders of management act in accord with the suggestions in this message, it should be possible to achieve and maintain economic stability and prosperity in the United States for many years. It is to be hoped that the President's Advisory Council will continue to transmit to Congress, through the President, as frequently as may be necessary, similar suggestions to meet the changing national and world economic picture.

I wish that every farmer, every businessman and every worker might write to the Economic Advisory Council in Washington asking for a copy of this report, and that the report might then be read over, not once or twice, but half a dozen times. Businessmen in particular should study it most thoroughly. Full understanding of the report by businessmen and labor leaders can give us the foundation not merely for a continuing, but for an advancing, prosperity. Those businessmen and workers

who are afraid of communism or socialism in the United States should take this report as their democratic Bible, and apply it to their activities during the next six months with much greater conscientiousness than most Christians use in applying the precepts of the Bible. The report advises us that, to attain a sound economic structure, businessmen should do everything they can to reduce prices. Management must do everything it can to increase wages. Workers must do everything they can to produce to the limit. Farmers must realize that their best protection comes in the long run from high consumer purchasing power. That in turn depends upon a high level of employment in industry, industry operated by businessmen who are willing to reduce prices as increased productivity helps to drive down costs.

The report makes the consumer the central point in the economic scheme of things in the year 1947. In view of that fact, it is disturbing to see that the rising cost of living has cut deeply into people's savings. One-fourth of all American families have no savings at all, and nearly another third have \$500 or less. The prospect for reduction of prices through increased supplies is darkened by the danger of continued labor-management friction which may further reduce the volume of production.

When I was Vice President, in December of 1944 I joined Jim Patton of the National Farmers' Union in coming out wholeheartedly for full-employment legislation. The bill which finally became law in 1946, as a result of our drive, was disappointing to many liberals. Many labor organizations commented unfavorably upon it. I always felt that the final legislation had great potentialities. The President's report confirms me in that feeling. Everything depends, of course, on how seriously Congress, labor and management take its admonitions. Free-enterprise democracy is now on trial. For the first time in the history of the United States the fundamental economic facts are made available in an authoritative way so that self-disciplining economic groups in the country may take the necessary action to prevent depression. There is no certainty, as yet, that such action will be taken. If we really believe in saving private initiative and the democratic freedoms, we must take to heart the lesson of this first presidential economic report and the others which will follow it. I trust that, in particular, the Committee for Economic Development, the Chamber of Commerce of the United States, the CIO, the AFL and the other influential business and labor organizations will study this report and act accordingly.

The new year starts out not inauspiciously. The appointment of General Marshall has been acclaimed around the world and lends good hope in the field of foreign affairs. The President's Economic Report offers fresh hope in domestic affairs.

H. A. W.

Civil War Splits America's Railroad Empire

by David A. Munro

"For fun and for the consumer," C&O's Robert R. Young is battling the bankers who control the US rail network

AT THE CORNER of Broad and Wall, Manhattan, stands a building over whose door is written no inscription and whose dirt-smudged classic lines testify to a grandeur that needs no identifying symbol or statement. This is the House of Morgan; from its august halls and the baronial offices of its rulers and allies run those invisible strings of control which bind the lifelines of American economic activity—the railroads.

"All roads lead to Rome," said a railroadman, testifying recently before the Interstate Commerce Commission; "I mean to The Corner—J. P. Morgan & Company." The man who spoke was an undersized, graying, blue-eyed and generally unprepossessing figure, a railroader by choice, an accountant and financier by profession. His name was Robert R. Young, the first man to challenge Morgan suzerainty over American roads in a generation.

The decisions of the Morgan partners and their allies—the considered nod, the gentlemanly refusal, the shrewd figuring of percentages—run like electric impulses over the wires and roadbeds of the great railways of America. They run

from the great terminals in New York over the shining rails, across the Alleghenies to all the grimy industrial towns of the Midwest; they cross the saddle of the Rockies along the roaring trunk lines to the Pacific Coast; they run down the coastal seaboard to the cotton states, holding them in economic bondage. The empire is invisible, but it is a basic entity of American life.

Upon this mighty empire, Robert Young has declared war. This is an act of daring that may change the substance of American life. Young has his allies: the Halsey, Stuart banking group of Chicago; rich Cyrus Eaton of Otis & Company of Cleveland; Allan P. Kirby, the Woolworth heir who put up most of the money which brought Young into railroading; and the three strategically placed railroads which Young himself now dominates—the coal-bearing Chesapeake & Ohio (tapping the mid-Allegheny mining country for the benefit of Midwest industry and the Eastern seaboard), the auto-hauling Pere Marquette (crisscrossing industrial Michigan) and the once rickety but now restored Nickel Plate (weaving diagonally through the richest areas of the Middle West in search of finished goods and produce, and thereby tying the northern and southern portions of Young's particular realm together).

Against Young, meanwhile, stand the

big New York banks, the insurance companies, the Association of American Railroads and even—if one can go by its records to date—the Interstate Commerce Commission. For the past 10 years the war has been waged in the financial columns of the big-city newspapers and in sniping, bold-face advertisements splashed across the country. Up to now the public has stood apart, wondering what it is all about and tending to look on this as just another squabble among the titans. Yet now the public is about to be treated to the strange spectacle of a railroad magnate aligning himself with a liberal, monopoly-hating Governor—Ellis Arnall of Georgia—in an open challenge to Wall Street.

Victory or defeat will affect every American in a dozen immediate ways: it will help determine the price he pays for his railroad ticket, the kind of car (whether new or old, comfortable or shabby) he travels in, the number of delays or stop-overs he may have to undergo and, more important, the question of whether he is to continue to be the helpless silent partner of big rail and banking combines in favoring one section and interest group of the country against another. The outcome of the present clash, in fact, will decide a great deal about the future of competitive enterprise in America. It will serve to show whether there is actually a future in competition or whether monopoly has closed in on us for good.

Crusader by accident

ROBERT YOUNG, at 49, is both a conservative and a crusader. He wants to conserve—or rather to restore—competition, but he has to fight his business peers in order to do it. He left his Texas drawl behind when he quit the Panhandle cow country as a young man and came East to rise through accountancy into big-time finance (as a financial adviser of General Motors and president of the Wall Street house of Young, Kolbe & Company); but when he lets fly at his own former associates downtown, he talks the language of a Western maverick. He didn't know anything about railroading until he bought his way into it in middle life, winning control of a great hunk of the late Van

David A. Munro, the founder and original editor of Space and Time, has written for Business Week, the New Yorker, Pageant and the information section of the OPA. He is now free-lancing.

Sweringen brothers' sprawling and bankrupt empire for a knock-down price; but since that time he has become transformed from a financier into a crack railroad operator, ardently taking the side of railroaders and the public against the money crowd which is sitting on top of both.

In spite of his prematurely aged look, there is something brisk and boyish about Young, and he says it is "fun" to run railroads—and fun to have a good fight. He had made a fortune before he ever got into the business, and had settled into a big mansion in Newport among all the other satisfied beneficiaries of the system. Yet he isn't satisfied now. He wants to show that he can run railroads better than Wall Street can run them. He wants to run more and more railroads (the Missouri Pacific, for whose control he is now fighting, and the New York Central, which he has coolly announced he is going to capture). He wants to run the great Pullman car-operating company, whose future is now before the Supreme Court. But every time he wants to run something, the downtown crowd pulls wires and tries to close in on him. The last thing one could call Young is a professional liberal; but he's on the people's side, nevertheless.

History of conquest

LONG AGO the banking Caesars of the roads divided their world into three parts for purposes of conquest and control: the Western Region (trans-Mississippi); the Southern Region (south of the Ohio River and Virginia); and the remaining Eastern or Official Region where lie most of their tracks, their banks and their hearts. But rule by the Caesars brought order without stability. Bankers once acted for railroads, in the days when the great promoters—Vanderbilt, Gould, Gates, Hill, Morgan Sr., Fisk, Depew, all now remembered as the "robber barons"—were big owners of common stock in railroads. But during the present century bankers have figured increasingly as underwriting houses for railroad bonds. They don't own railroads, but they control them through such corporate devices as voting trusts and through friendly bankruptcies or reorganizations which save the bonds at

the expense of the stock. But today's control is not necessarily exercised by bankers for railroads, which are legally the property of their common stockholders; it tends always to be exercised to protect the bond-issuing business.

Young charges that this shift in banker policy has cost the American investor \$1,080 million in securities already "irrevocably wiped out" and that the figure "is still rising." He also charges the traditional banker control has committed the railroads to perpetuating long established ways of doing things and to all-out resistance against "progress."

Anti-trust suits

THIS is the substance, too, of what the Justice Department's Anti-Trust Division feels about banker control. In three separate suits filed in the three railroad regions, the Division, accompanied by the state of Georgia, has

moved to give the people "relief" from the railroad monopoly. The government seeks to restore competition and remove the squeeze. But the suits constituted a declaration of war to the House of Morgan and its feudal friends. The war is being waged not only in the courts, where the three suits are being heard, but in Congress, at the White House, before the ICC and in the press.

In the widening struggle, the Anti-Trust Division, Georgia's Governor Ellis Arnall and Senator Burton K. Wheeler have appeared as the chief political champions of the users; Robert Young is the leading railroadman champion of stockholders and customers.

Last week found Governor Arnall and railroader Young working out an eleventh-hour understanding (prior to the Governor's relinquishment of office to the newly elected Lieutenant Governor) that is expected to give the widest public emphasis to the difference between



ROBERT R. YOUNG

the program which Young stands for and the traditional banker policies that have put a dead hand alike on railroad securities and on improvements.

North v. South

THE state of Georgia came into the railroad fight naturally enough. Ever since the first New England industrialists began to worry about the possible rise of industry in the South, there has been discrimination in freight rates against the South in order to favor the producing regions in the North. Raw materials move cheaply on Southern rails, but finished products move at a high rate. It has therefore been advantageous to send raw materials North for processing. Foodstuffs, fuel, cotton and woodpulp produced in the South do not therefore support home industry as they might, and the Southern economy has fallen badly out of balance between agriculture and industry. The bankers who control railroad policy invented and maintained this discrimination because there is a community of interest between the men who sit on the boards of railroads and those who sit

on the boards of Northern industries. Often, indeed, they are the same person. Meanwhile, the government's attempt to break this stranglehold was postponed by a wartime certificate to the Attorney General under which the railroads got themselves put beyond the reach of the Anti-Trust Division for the duration. But that didn't stop the state of Georgia. Governor Arnall named an anti-trust lawyer, William L. McGovern, Deputy Assistant Attorney General of Georgia, and the case was filed directly in the Supreme Court of the United States in March, 1945, with the Anti-Trust Division joining forces. Bob Young's Chesapeake & Ohio came into the Georgia case as a co-defendant because it was a party to "rate-bureau" deals and a member of the all-pervasive Association of American Railroads. Young insisted that he was an unwilling participant; he has since pulled all his railroads out of the AAR and seriously restricted their participation in any rate-making by local bureaus. Now, on the basis of his record and his promise to go straight, he has been given a clean bill of health by the state of Georgia.

This isn't the first time that Young got off scot-free upon a promise to go straight. Ten years ago, soon after Young had acquired the Alleghany Corporation (the holding company through which the Van Sweringens had dominated their railroad empire), Senator Burton K. Wheeler had him on the carpet to explain his transaction. Young admitted he had paid only \$254,295 of his own money for the control of an empire whose worth had been reckoned in billions. He agreed with Senator Wheeler that for one man to have so much power and to be subject to so many temptations "is a bad thing." The Senator shook a warning finger at Young and called Alleghany a banker-controlled monstrosity, a device by which the Van Sweringen brothers, who put this house of cards together in the twenties, had milked the railroads of millions of dollars. Wheeler called Young a "shoestring speculator." Young had to take it, but this may have been the turning point in his career. It was certainly the first time in his life that he denounced the ruling barons of Wall Street.

He told the Senate committee that he was going to clean up Alleghany quicker and better than the government could. He created a hum of excitement in Wall Street by telling the committee that he would remove banker control by opening new financing to competitive bidding. That meant defiance of the Morgans, who had looked on the former Van Sweringen roads as their own preserve.

Monopoly at work

ACCORDING to Young, the Morgans and their friends tried every device to get him out, exerting their power through the Guaranty Trust Company (the trustee of Alleghany's bonds) in hopes of putting him off the corporation's board of directors, and rounding up proxies to pull his railroads out from under him. He did lose control of the Erie, he was threatened with loss of the Chesapeake & Ohio, and he has never yet been able to exert control over the Missouri Pacific, the biggest and most banker-ridden of the former Van Sweringen lines. Yet he managed to hold on to enough trackage to make him

A Hog Can Cross America Without Changing Trains—But YOU Can't!

The Chesapeake & Ohio and the Nickel Plate Road
again propose to give humans a break!

It's hard to believe, but it's true.

If you want to ship a hog from coast to coast, he can make the entire trip without changing cars. You can't. It is impossible for you to pass through Chicago, St. Louis, or New Orleans without breaking your trip!

There is an invisible barrier down the middle of the United States which you cannot cross without inconvenience, lost time, and trouble.

560,000 Victims in 1945!

If you want to board a sleeper on one coast and ride through to the other, you must make double Pullman reservations, pack and transfer your baggage, often change stations, and wait around for connections.

It's the same sad story if you make a relatively short trip. You can't cross



Canada has this service . . . with a choice of two routes. Canada can't split down the middle. Why should we be? No reasonable answer has yet been given. Passengers still have to stop off at Chicago.

The Chesapeake & Ohio, whose western passenger terminus is Cincinnati, stands ready now to join with any combination of other railroads to set up connecting trains.

YOUNG WRITES HIS OWN CAMPAIGN ADS AND SPREADS THEM WIDE

a big operator—only to find himself in danger of being sucked into a monopoly.

The railroad monopoly works in many ways. Its essential principle, of course, is to avoid competition between railroads while thwarting competition on the part of other means of transport.

This protective method begins at the top, where bankers keep reshuffling railroad financial structures in such a way as to perpetuate their hold through the control of bond issues. And it goes on down to the bottom, where the furnisher of many items of equipment—even to freight-car doors and ice for refrigerator cars—enjoys a private monopoly protected by interlocked directorates and side payments.

One conspicuous result of this system is that some insiders' toes are likely to be stepped on by any suggested improvement in railroading. The icing-station monopoly would be endangered by introduction of mechanical refrigeration on cars. The freight-door monopoly would be endangered by any improvement in freight-car design. And the top-side, controlling, bond-issuing monopoly would be endangered by a breakup of interlocking directorates, by competitive bidding for new security issues, by elimination of the voting-trustee system under which railroads are "voted" by bankers in defiance of their common-stock owners.

(The intimacy that has existed between many top railroad men and their friends in the equipment business was revealed some years ago when Walter P. Murphy, late president of the Standard Railway Equipment Manufacturing Company, at his death left legacies of \$100,000 each to M. W. Clement, president of the Pennsylvania; F. E. Williamson, president of the New York Central, and W. M. Jeffers, president of the Union Pacific, along with \$50,000 each to a long list of other men, including J. J. Pelley, president of the Association of American Railroads.)

Birth of the AAR

IN ITS day-to-day operations, the rail monopoly works through the Association of American Railroads. The AAR is only 14 years old, but its methods are highly sophisticated. They were



MORNING IN THE SLEEPING-CAR.

Bettman Archive

THIS WAS 1871. YOUNG THINKS IT'S TIME WE IMPROVED

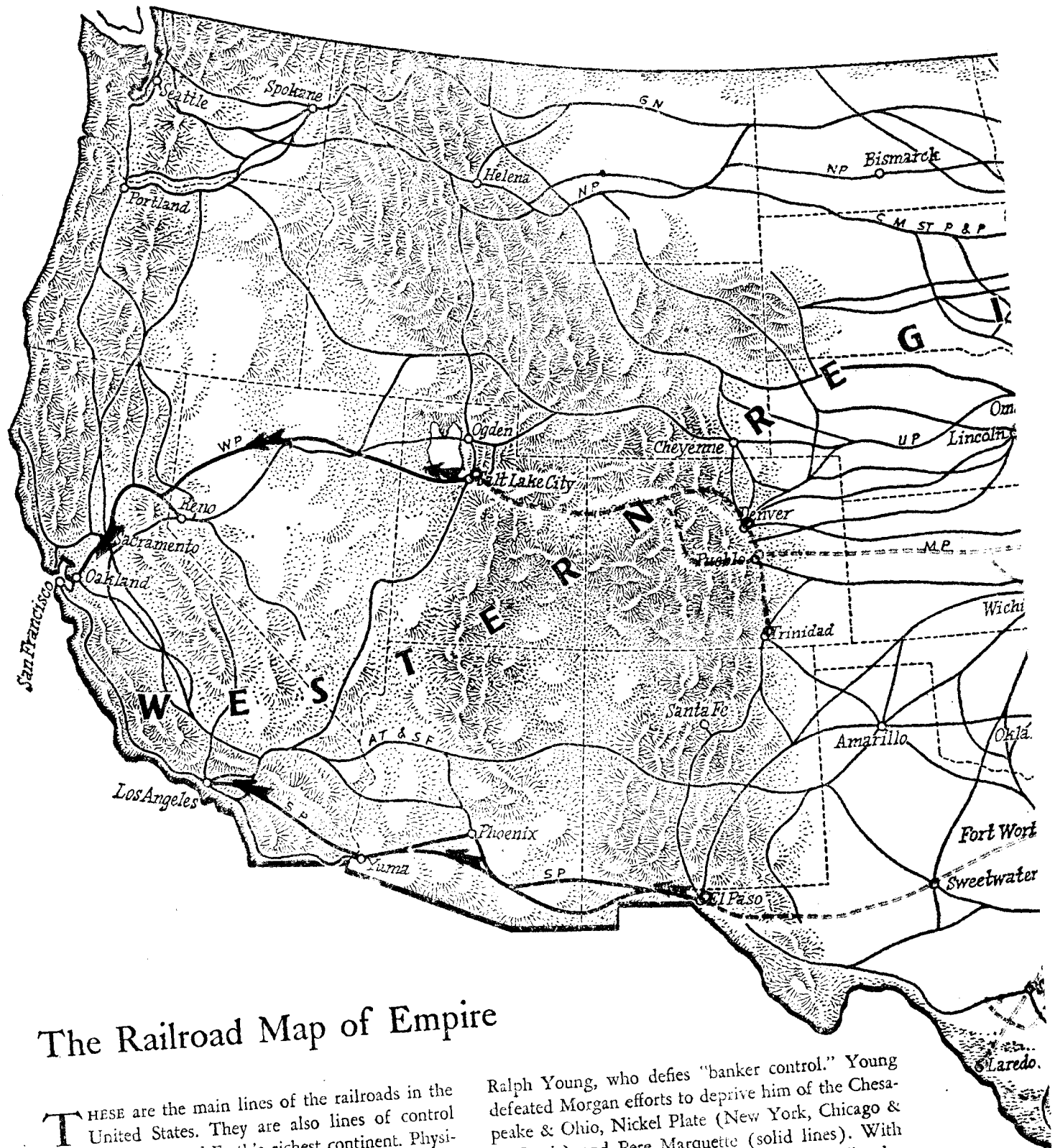
tested, and brought results, before the Association even came into existence.

Their pioneer was Joseph H. Hays, a Midwestern expert at building up organized pressure groups, who carried on a subtle campaign for Western railroads against the rival interstate trucking interests. Under the "Western Agreement," Western railroads banded together and pressured legislatures until they were able to set up a kind of tariff wall along the Mississippi, where competitive transport was literally and figuratively held up.

The Western Association worked so well that a National Association was

clearly in order, and—under the leadership of W. Averell Harriman, then chairman of the board of the Union Pacific and now Secretary of Commerce—it came into existence. But there was to be a new twist to this organization: as Harriman later admitted, his further objective was to subject Western railway-management decisions to review by Eastern financial interests. Harriman's plan set up a "committee of nine"—a top financial group empowered to form an organization "with teeth" and to assume command. Thomas W. Lamont, senior Morgan partner, was not

(Continued on page 26)



The Railroad Map of Empire

THESE are the main lines of the railroads in the United States. They are also lines of control over the economy of Earth's richest continent. Physically, they converge in sprawling Chicago. Spiritually they look east to the caliphate of American finance, J. P. Morgan & Company. During the century of railroading the only major challenge to the Morgans came from Kuhn, Loeb in 1901. It ended in the agreement by which Jacob Henry Schiff conceded the spiritual authority of the Morgans. A second challenge has arisen in our time. Its spearhead is Robert

Ralph Young, who defies "banker control." Young defeated Morgan efforts to deprive him of the Chesapeake & Ohio, Nickel Plate (New York, Chicago & St. Louis) and Pere Marquette (solid lines). With Missouri Pacific (dotted lines in west) he suffered a court defeat which wiped out all common stock, and concentrated power in the hands of bondholders, whose allegiance is to the Morgans. He has sued to set this decision aside. He plans getting rail contact with New York City by buying control of the New York Central (dotted lines in east).



Indicates
Young-Controlled
Railroads

Indicates
Railroads Young
Seeks to Control

Indicates
Trackage Rights
(Missouri-Pacific)

Indicates
Other Major Trunk
Lines of U.S. Rail-
road Network

Map by Harold Detje

(Continued from page 23)

among the nine, but according to the complaint filed by the state of Georgia, he became the active arbiter of ideas and strategy in the new association. Most of the men who headed up the association have since been indicted for conspiracy to violate the Sherman Act—but Averell Harriman, heir to the vast dominion of E. H. Harriman, has been spared.

How to kill competition

THIS is the outfit that Young is battling. One of the prizes in the battle is the control of the Pullman Company, owner-operator of sleeping cars. Young has petitioned the courts for the right to buy the company, promising to invest \$500 million in new Pullman equipment—especially in lightweight, streamlined cars—and thus to perform a needed public service. He was able to make this bid because a federal court had found Pullman, Inc., a monopoly in restraint of trade and had ordered divorcement of Pullman's rolling-hotel business from its car-manufacturing business. The court received Young's bid last August, and this precipitated a struggle over Pullman.

Pullman suffers from an extreme form of the arteriosclerosis that affects nearly all railroading. Young calls the disease banker-control. Pullman caught the infection from Morgan. Its cars became old (Young calls them "junk"), yet no one dared give the order to replace them. Its factories were shut down during the thirties, with workers idle on the streets, but Pullman's cautious amortization money lay idle in the bank. Meanwhile, railroads were pleading for new cars good enough to compete with modern autos, buses and airplanes. But lethargy ruled. Edward G. Budd, competitive maker of the new lightweight sleepers, was virtually forced out of this business. Harry S. Sturgis of the (Morgan) First National Bank of New York, and George Whitney, president of J. P. Morgan & Company, talked the New York Central out of buying new lightweight sleepers. "Competitive instincts," as Sturgis called them, were curbed. But the roads didn't get the cars and nearly everyone lost money—except the bankers.

It was this Morgan-Pullman restraint that brought Pullman into court. The Eastern banking group at once showed an intense interest in its future. A memorandum signed by W. F. Place of the New York Central was sent out to all Pullman-using railroads warning them, in effect, that the maverick Bob Young was on the loose again. The anti-Young railroads promptly got together and made an offer to take control of Pullman themselves, with the dominant interest in the hands of the Pennsylvania and New York Central. And the court, setting aside Young's own bid, fell in with this idea.

Thus, after having ordered Pullman's dissolution, the court reversed itself and awarded the sleeper business to the very bankers whom it had already enjoined. The Anti-Trust Division appealed to the Supreme Court. So did Young. The railroad bankers took their case to the friendly Interstate Commerce Commission. The anti-trust people intervened before the ICC. At present both the ICC, acting as a kind of rump court, and the Supreme Court are on the verge of deciding the disposal of Pullman.

Clearing for action

YOUNG has pulled all his roads out of the AAR and is going around denouncing it for spending money which should have gone into railroad service in fighting the Anti-Trust Division. The Wall Street group, for its part, calls Young "unsound" and not the right kind of man to be entrusted with great rail properties. (This view persists, even though he has reduced debt and improved service on all his railroads: he showed an average pre-war operating profit of 38 cents on his C&O, as compared with 11 cents for the New York Central and 19 cents for the Pennsylvania; and last year his road declared extra dividends while these two skipped their regular dividends.)

Now the two sides have cleared for action. Young is in process of forming a new, rival railroad association which will include railroad labor as well as stockholders. He has also stated that, if required to do so by the court, he is ready to divest himself of all his railroad interests upon acquiring Pullman. But, on the other hand, he has made a

dramatic move toward increasing his railroad interests. He has just gone in and made his opening bid for mastery over the New York Central—the second largest rail system in the US—in order to give his network an outlet to New York and Boston. His Alleghany Corporation has bought 162,000 shares of the Central's common stock, thus giving him about 2.5 percent of its outstanding shares—a greater holding than that of any director of the road. "The giant New York Central system has been invaded," exclaimed the *Wall Street Journal* on January 9; "it may face its greatest battles since the rictous days of Commodore Vanderbilt in the last century."

Empire without monopoly

WHAT the bankers seem to dislike most about Young is his way of appealing directly to the people and telling them in advertisements all across the country that they have a right to better railroad service. He's telling them that he will give them that service. He is talking about new-style mass-production Pullmans—about "shoppers' Pullmans" that will bring housewives into town and give them a base for a day's shopping—and about putting travelers' autos aboard specially designed coaches. It all looks like good salesmanship, but there is something more to it than that. Young clearly wants to build himself an empire—but it is to be one free from the tight grip of monopoly. It is to be a reform empire, if he has his way. He is talking straight competition and nothing else, but in the world on wheels that means a revolution.



SHE PREFERS THE C. & O.

Who's Right— Nathan or NAM?

by George Soule

*Neither side has answered all the
questions raised by debate over the
CIO report*

THE BIGGEST economic debate of the day is that between the CIO, with its economic consultant Robert Nathan, and the NAM, with its economic consultant Ralph Robey, about wages, prices and profits. Is Nathan right that wages should be increased 23 percent? And is he right that this can be done without further price boosts and still leave employers ample profits? Or is Robey right in saying this is all partisan nonsense?

According to Nathan, the current level of corporate profits, after deduction of taxes, is 50 percent higher than the best war year; 75 percent higher than 1929, the biggest boom year of peace, and more than three times the average of prewar 1936-39 profits.

Robey answers for the NAM that there are no complete, official statistics for present profits, and that Nathan is just guessing. He is a bad guesser, says Robey, because just after V-J Day Nathan is supposed to have predicted that unemployment would rise to about five million in three months and might be as high as eight million later; whereas maximum postwar unemployment turned out to be only 2.7 million.

If the reader will permit the present writer to arbitrate this dispute, the decision must be that while Robey may be technically correct, Nathan is approximately right about present profits. Nathan is an expert in national-income figures; he was formerly in charge of accumulating them for the Department of Commerce. It is true that this department has issued no final figures on

corporate profits covering 1946. But it is also true that it issues quarterly reports on the national income and many of its important components; the same data are available to Nathan. Estimates of current profits, made by an expert, are much more likely to be close to the mark than a prediction of future unemployment made before demobilization started. I should be surprised if subsequent corrections of Nathan's figures made any great difference to his argument.

Wages, says Nathan, measured in average weekly earnings, have gone down 3.5 percent in manufacturing since January, 1945. Meanwhile the cost of the consumers' budget has risen about 20 percent. A rise of approximately 23 percent in average earnings is therefore required to bring purchasing power of industrial workers back to its former high point. In some industries the increase would be more, in others less.

Extravagant profits and falling purchasing power on the part of wage earners spell, to Nathan, a downturn in production and employment, with collapsing prices. Luxury buying by the relatively few who receive profits cannot long sustain unprecedented mass production of civilian goods.

In the case of wages, Robey admits that Nathan has the right figures. But why, he asks, base the calculation on January, 1945, when weekly earnings were at the highest point in history? If one should start with 1939, wages have risen so much more than living costs that prices, not wages, would have to be

boosted to restore the former level of purchasing power. In fact, prices would have to rise 29 percent more than they have. Robey does not favor this, but he contends Nathan's choice of the date from which to measure is governed by the need to prove his case.

On this point your arbitrator must rule that the logic of the choice would have been as obvious to Robey as it apparently was to Nathan if Robey had shared Nathan's theory about the desirability of maintaining full employment and the means necessary to do so. In 1939 there were millions unemployed. In 1945 we had full employment, because enough money was being spent, by government and consumers together, to keep everyone busy. It is true that consumers had considerably more income than they could spend, at existing prices, for the goods that were available. But now government buying has shrunk and consumers' spending must fill the gap.

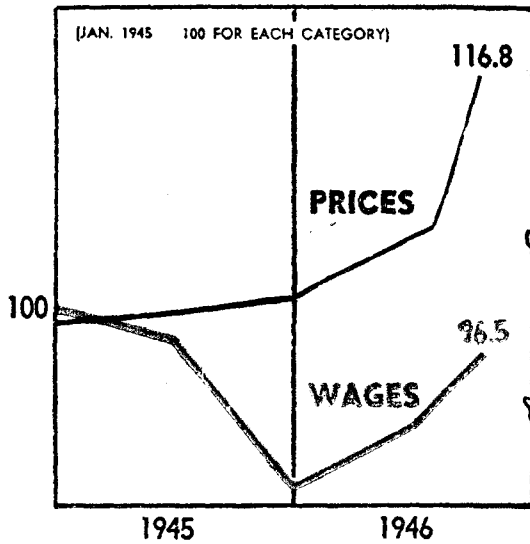
So far it has done so. But how long can it continue to do so if the purchasing power of the majority of consumers shrinks while production expands? Already production is well above 1941; conceivably it would have to approach the war peaks if everyone who wanted a job were to have one. Remember that some ten million servicemen and women have been returned to civil life and that output per man is likely to rise above war levels, if it has not done so already. There is room for argument as to whether individual wage earners must have as much purchasing power as in January, 1945, but surely that standard is far closer to the mark than 1939.

Nathan's profit figures

ROBEY, in his reply to Nathan, which is printed in giant letters, like a first grade primer, indulges in a number of statistical gibes with the obvious intention, not of proving that his opponent is wrong, but of discrediting him. These may be ignored, but one final point makes sense, to this writer.

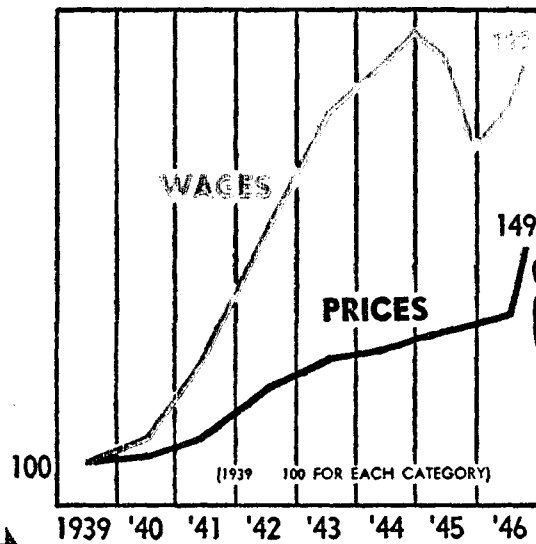
The profit figures used by Nathan are aggregates, covering "all corporations" or "all manufacturing corporations." But wages are not paid out of a general pool of profits. They are paid by individual employers. Some industries do better than others, some firms

CIO SAYS: PRICES HAVE OUTRUN WAGES



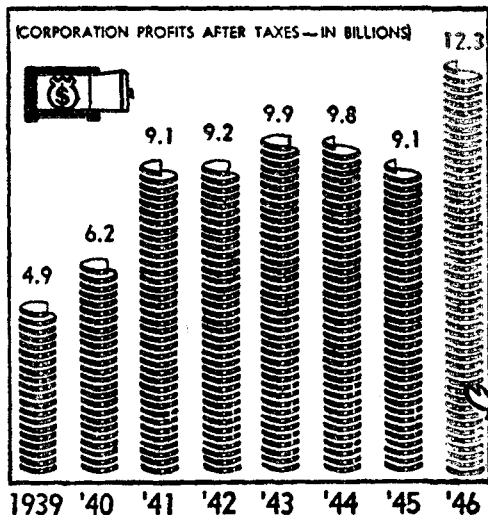
To workmen in most industries this means declining buying power; to the CIO, early cutbacks and unemployment.

NAM SAYS: NOT IF YOU GO BACK TO 1939



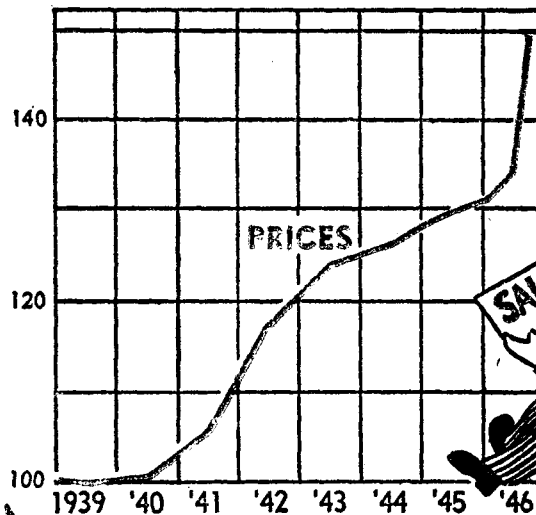
The NAM wasn't happy in New Deal 1939, but it wishes it were back there now: Wage averages were still low.

CIO SAYS: HIGH PROFITS SHOULD BE USED FOR WAGE INCREASES



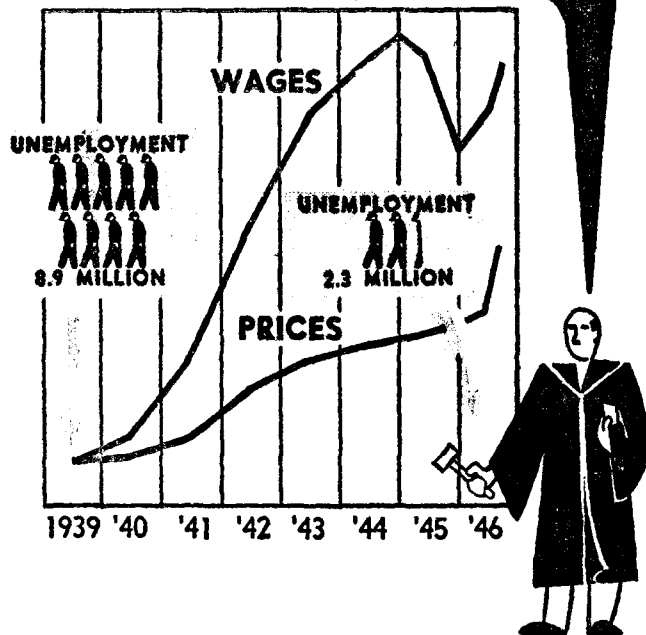
The picture isn't as simple as this, says the NAM, pointing to marginal firms and unusual tax rebates.

NAM SAYS: HIGH PROFITS WILL BE USED FOR PRICE CUTS

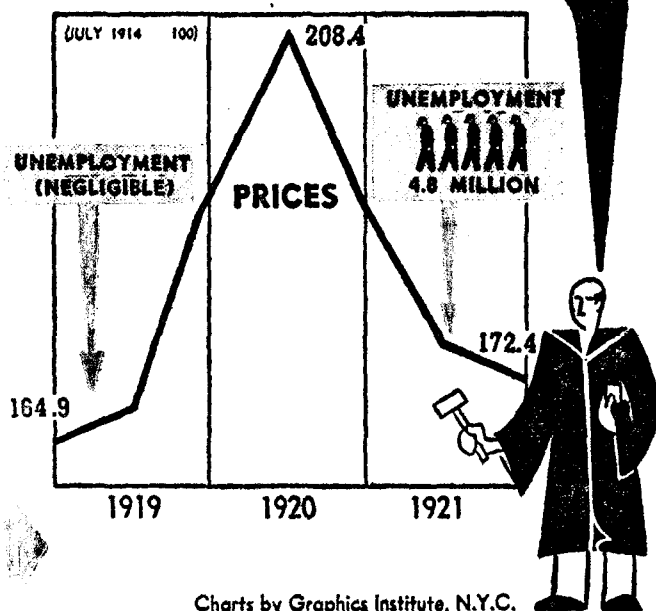


With prices and profits sky-high, the NAM says we'll have cheap goods again. Will that mean recession or slump?

BUT WHY GO BACK TO 1939 WHEN ...



Wages were low, and so was production, because of nine million jobless. The job now is to keep full employment.

BUT WHY GO BACK TO
POST WAR I "BOOM & BUST"

Charts by Graphics Institute, N.Y.C.

In booming 1919 there were 6,500 business failures. But after the crest, downhill 1921 brought 20,000.

are more and others are less prosperous. A nationwide flat wage increase of any substantial amount is likely to raise the costs of the less profitable concerns to a point where an increase of selling prices is inevitable if the firms in question are to continue production. Therefore it is fallacious to believe, as the Nathan report seems to say, that everybody can have a wage increase of 23 percent without raising prices.

As a matter of fact, Nathan does not say this. He is talking about an "average" increase. An average of 23 percent could be achieved if some workers obtained, say 40 percent, others 15 percent and others nothing. On page six Nathan writes, "There is no presumption that the profit position of the companies in these industries varies in relation to the increases which would be needed to restore the buying power of weekly earnings to their January, 1945, status." On page 12 he writes, "These facts describe the basic general situation. They do not apply exactly to any individual industry. Obviously, the profit and wage picture must be considered separately in each wage negotiation."

The trouble is that this is not the way the big unions work. They go out for industrywide increases. What is granted in one industry becomes a precedent for another. Workers in one plant do not like to work for less than those in a competing plant, merely because plant No. 1 is not so profitable as plant No. 2. The only condition under which a general wage increase approximating 20 percent could be made without forcing up prices or decreasing employment would be one in which even the concerns with the lowest profit margins could pay it and still make money. Does such a condition now exist? Neither Nathan nor Robey really believes so.

Prices, wages and profits

It would be better all around, Robey says, if prices were to come down. Then the gain would be shared equally by all consumers, and not just by those who are able to get wage increases. I heartily agree. This, continues Robey, is what is actually happening. A combination of increased production and consumer resistance to high prices has started a long list of prices down the toboggan slide. The situation will easily correct itself if only labor holds back and waits for lower prices. I agree that prices are going to fall, but I disagree that the process will be painless.

Some prices, it is true, have started down. But neither the average of wholesale prices nor the index of the cost of living yet shows any downward tendency. The truth is that very few business concerns charge less than they can get, or less than their competitors charge, just because profits are high and would permit a reduction. Prices, like wages, tend to be uniform in a given market. As long as demand exceeds supply, prices will go up.

Our economy seldom makes gradual and wholesome corrections of the relations among prices, wages and profits. Certainly, without planning and guidance, it has never shown its capacity to do so after the immense dislocations of a war. Nathan is right that such a correction now ought to be made. He is wrong in so far as he leads people to believe

—and he carefully hedges on this point—that it can be made by a large and general increase in wages. Robey is wrong in implying that it can be made by gradual and selective price reductions.

What really happens, when price inflation takes hold, is that it goes too far and builds up to a climax. Once price control and rationing were thrown overboard—with the powerful push of the NAM—the ship became rudderless. Production is bound to outrun purchasing power in one line after another: the institutions of private enterprise for adjusting wages, prices and production can lead to no other result. The “correction,” when it comes, is likely to be a corresponding over-correction. There will be unemployment and business failures.

Nathan and Robey agree that strikes over wages can only make the situation worse. They both express hope that the other side will show sweet reasonableness and submit to a rational adjustment. It is a slim hope.

Moderate upward revision of wages may be made by agreement and without strikes. But in that case employers’ concessions will not be sufficient to restore the balance. Nor will business or agriculture limit price advances to those necessitated by higher labor costs. Nathan shows that they have not done so in the recent past. Sellers will charge all they can get until the crash comes; then industry will cut production and agriculture will have to go on the dole. Let us hope that deflation, when it arrives, will be as quickly over as it is drastic.

The cycle can be moderated

IT IS not necessary to be fatalistic about the business cycle. Boom and depression can be moderated or perhaps cut out entirely, if we can devise and use the proper tools. But one is perfectly safe in saying that those tools are not being used today in the United States. It is naïve to suppose either that boosting money wages or the action of what price competition there is can avert the natural consequences of the inflation to which people like Robey and his employers have condemned the American public.

Confession Is Good for the Soul

by Edward A. Harris

Senator Vandenberg, a reformed isolationist, became America’s elder statesman by beating his breast in public

IN THE crowded hall of Republican oracles, Senator Arthur Hendrick Vandenberg, Michigan’s adroit, buoyant but dignified favorite son, yields preëminence to no man. From his lofty perch as president pro tempore he can look down with majestic detachment on the tempests, the talk and trappings of less elevated men. Often in the past he had felt intellectually above it all; now fate and justice have made his position physical as well.

If Senator Vandenberg has a comfortable opinion of himself, he is no doubt aware that it is shared by most of his contemporaries. They know that he has come a long way since penning a song for Tin Pan Alley, “Bebe, Bebe, Be Mine,” written a thoughtful tract called “Psychology and Salesmanship,” and said of himself in *Who’s Who* a quarter of a century ago: “Widely known as a popular and political orator.” Even then, it may be said in his behalf, he proved that he was prophetically ahead of his time.

A self-made man in every way, at 62 the quick-minded Grand Rapids (Mich.) orator stands sure-footedly at the pinnacle of his career. Unlike presidential aspirants on and off the Senate floor, he has few enemies. Equipped with a generous measure of warmth and personal

charm, he is both persuasive and smart, and always has been amply blessed with the gift of gab. He no longer struts sitting down, as some used to say of him.

Vandenberg occasionally has the ability to strike sharply to the heart of a subject. Sometimes he does so with graceful humor to boot. When, for example, two Republican colleagues were once bellowing at each other over a minor point during a Senate-committee session, Vandenberg ended the senseless scene by wryly observing: “I see that you gentlemen are in violent agreement.” Again, there was the time when scientists and writers criticized his proposal for a military liaison group in the establishment of the domestic Atomic Energy Commission. One critic had called the proposal “fascistic” on the theory that such a setup would give the military working control over the commission. Striding into a meeting of the Senate Atomic Energy Commission next day, Vandenberg, his cigar clamped between his teeth, gritted out his greeting to fellow members with mock toughness: “Hi, fellow fascists!”

Humor, intelligence, easy affability, oratorical know-how and sincerity are attributes that would seem to give a man a great advantage in any presidential race. While these things, along with his towering new party prestige as a statesman, ordinarily would make the big Northerner a natural as a compromise candidate for the White House next year, his admirers were doubtless dismayed a few weeks ago when Van-

Edward A. Harris is Washington correspondent for the St. Louis Post-Dispatch. He won the Pulitzer Prize last year for his coverage of the Pauley tideland-oil story.



denberg calmly announced he was not a candidate and anticipated no campaign in his behalf.

To his close friends Van pointed out that the office ought to seek the man, rather than the reverse. He was considerably pained when low, insincere characters among the Fourth Estate received his no-candidacy news with a carton of salt. Some of his intimates were among the doubters, and he has let it be known that he cannot understand their crass cynicism. Like the hero of *The Hucksters*, he is hurt when his sincerity is questioned—and in truth few had questioned it before.

Hamilton's disciple

POSSIBLY the greatest single influence in Vandenberg's intellectual development has been Alexander Hamilton, of whom he was a great admirer and lesser biographer ("Hamilton stood at my shoulder like a big brother in my youth," he has remarked). It was Hamilton who, during the formation of the Republic, argued for an aristocratic but representative union "with devices to give weight to the influence of class and property." Historians speak of his complete failure to understand the democracy created by two centuries of frontier life. And biographer Francis S. Philbrick concluded: "Great constructive statesman as he was, he was also in that day essentially a reactionary."

But aside from any influence by Hamilton, Vandenberg comes honestly by his rockhard Republicanism. His grandfather helped to nominate Lincoln in 1860. Father Aaron, a harnessmaker, warned his son after he was wiped out in the panic of 1893: "Always be a Republican."

Even in high school young Arthur was called the "Senator from Michigan" in his government classes. Lack of funds forced him to quit the university after a year and he became a copy boy and cub reporter for the *Grand Rapids Herald*. Soon he was acquainted with local GOP politicians at City Hall, including a picturesque character named William Alden Smith, who was to go on to the United States Senate. Smith bought the *Herald*, and made Vandenberg editor. Years later Vandenberg borrowed some money and bought control of the paper,

selling his interest for \$549,000 when he was appointed to the Senate in 1928. In the Senate he has remained ever since, survivor of the Roosevelt landslides.

Isolationist's progress

WHETHER or not Arthur Vandenberg is White House material, he has in the last two years taken huge strides in the political arena. The send-off for the swift advance was his momentous speech in the Senate on January 10, 1945. He had progressed from prewar starchy isolationist ("insulationist" he preferred to call it) to suspicious Allied collaborationist in midwar, but then, on the eve of the San Francisco Conference, he let the world know that he had changed. International coöperation and world organization were essential for survival, he had discovered.

It was a timely and melodramatic about-face. Overnight he lifted himself by his bootstraps to new stature. In the spring he went on to San Francisco to help draft the UN Charter, and from there to the series of UN meetings. His epic metamorphosis led other Republican cautionaries in the Senate over to the side of world organization: he was the Messiah pointing to the golden horizon and urging the tremulous not to fear. Quaking, they went, some dropping path-markers behind them.

Vandenberg has attributed his sudden switch to the use of the robot bomb and discovery of other weapons of mass death. There is no reason to doubt him, but the chronology of events should be mentioned for the record.

As late as 1943, when the Nazis were making full use of weapons of mass destruction, Vandenberg made clear at Mackinac Island that he would support international coöperation only if no sacrifice of American "sovereignty" were involved. Gerald L. K. Smith later boasted repeatedly that he had drafted most of the Vandenberg program insisting on retention of full sovereignty, and that he had in fact presented his ideas to the Senator before the island conference.

This was less than two years before Vandenberg's historic January 10 speech. In those years, rabid isolationists Gerald Nye, Bennett Clark and Robert R. Reynolds in the Senate, "Ham" Fish and

Martin Dies in the House were purged in the elections or washed themselves out when they detected the coming storm. The will of the people on internationalism was made clear. Vandenberg, it is known, was profoundly disturbed by the popular uprising, and a few days after the '44 elections closely "reëxamined" his whole approach to the question of One World. Four months later his forceful Senate speech breasted the crest of public opinion and carried him rapidly toward his present eminence.

Vandenberg in World War I

ARTHUR VANDENBERG had not always been an isolationist. Indeed, in the glowing days of the First World War, the hustling young editor of the *Grand Rapids Herald* had called it "the greatest revival the world has ever known since Christ came upon the earth." Then he helped write the cautious foreign-relations sections of Warren G. Harding's campaign speeches and declared: "With Harding at the helm, we can sleep nights." Like Henry Cabot Lodge, he was not opposed to the League of Nations—he merely wished to suffocate it with fuzzy reservations. Already a Republican power in Michigan at 35, Vandenberg declared in a signed editorial that the *Herald* had obtained William Howard Taft's consent to Senate reservations "which would officially tell the world that America will always insist on just such interpretations as he [and other proponents like him] declare to be appropriate." The deadly perfectionists and the isolationists together succeeded in killing United States entry into the League.

By the mid-thirties, however, when Vandenberg was emerging as a national figure, he was thoroughly confirmed in the doxology of isolationism. In 1939, with Hitlerian butchery and aggression well on the way, Van fought hard against repeal of the Neutrality Act, asserting, "I do not think this is our war and I think we should stay all the way out." Four weeks after the Nazis had invaded Poland he declared: "This so-called war is nothing but about 25 people and propaganda." With rich oratory he opposed the draft and lend-lease as Pearl Harbor moved closer.

Early in 1940 he tried to get Congress

to sever diplomatic relations with the Soviet ("Bolshevism is a sinking ship," he had written in 1919). After Russia was invaded that summer he presented to the Senate stay-out-of-war petitions of the Committee of One Million, headed by Gerald Smith, referring on the floor to Smith's "inspiring chairmanship" of the committee and describing the petitions as "the voice of America." In the columns of *Social Justice*, the *Broom* and the *Deutscher Weckruf und Beobachter*, Vandenberg was a hero.

During a Senate discussion on abuse of congressional franking privileges four months before Pearl Harbor, he crossed party lines and rushed to the defense of Senator Wheeler and the Montanan's isolationist activities. At one point in this debate he said he had voted against confirmation of Henry L. Stimson as Secretary of War and "today I feel completely justified." Two weeks later he filed a petition against sending troops abroad. Stalwartly he defended the perilous utterances of Lindbergh.

When his party gained seats in Congress one year after American entrance into the war, Van interpreted the election results as meaning "the country is not satisfied with the way the war is being run." In 1943 he commended Senator Henry Cabot Lodge, grandson of the League-scuttler, for placing emphasis "on what the United States is to get out of this war" rather than "what the country is to contribute to the rest of the world." The following year he lustily beat the tom-toms for MacArthur for President. Later he argued that a War Department ban against Army men running for office should preclude a fourth term for Roosevelt, since he was Commander-in-Chief.

Is it real internationalism?

IN THE light of this background, some people are skeptical about the permanence of the Senator's internationalism. They fear a repeat performance of the perfectionism that ruined the League. They point out that Vandenberg, who as chairman of the Foreign Relations Committee holds the key to Senate action on peace treaties and world unity, retains his penchant for "reservations."

In this connection, his performance before a spellbound Senate last Feb-

ruary 27 was a deft one. Reporting on the London organization of the UN, he said in ringing tones: "We need but one rule. What is right. Where is justice. There let America take her stand." Then he proceeded to strike at the actions and motives of Russia. The supreme conundrum of our time, he said, is "What is Russia up to now?" When he finished his assault (and was being warmly congratulated by Clare Luce of Globaloney fame), the nation was launched on its "get-tough-with-Russia" phase. In his talk, of course, he had been careful to underscore the need for patience and understanding in international affairs.

Vandenberg's domestic record

IF HIS foreign-policy views have been inconsistent, he has been more constant in his domestic voting record. Were it not for his own personal word that Communists and Russophiles alone are responsible for the opposition of labor to his reelection, one might be tempted to speculate that labor had been impressed by his votes against the Wagner Act, Wages and Hours Act, the TVA, the AAA, the National Resources Planning Board and the continuation of the National Youth Administration. He helped to defeat the Florida Ship Canal and Passamaquoddy Tidal Power projects, backed an amendment to kill the Farm Security Administration (with its loans to small farmers), voted to override the presidential veto of the Smith-Connally anti-strike bill, opposed increasing unemployment benefits to war workers laid off during reconversion, favored an amendment to require co-operatives and labor unions to file income-tax reports, opposed confirmation of Aubrey Williams as REA administrator, supported an amendment to the full-employment bill that would have made it unworkable, and voted to abolish the TVA and the REA.

He battled for revision of the Wagner Act (to give labor "responsibility") and referred to sitdown strikers as "revoluting" and praised the Vigilantes as "modern Minute Men." He scoffed at talk of written contracts during the Little Steel strikes and said FDR "might have done better to have followed the example of Grover Cleveland and de-

manded respect for the law of the land" (Cleveland sent troops into Illinois in the Pullman strike).

Vandenberg's deviations from the straight conservative line, like Bob Taft's, look like exceptions that prove the rule. He supported the SEC, initial price control, cloture in FEPC filibusters and restrictions on child labor. Despite his over-all labor record, he says his pet subject is profit-sharing by industry. "Workmen resent gratuities," he once remarked. That may explain why he has opposed the scheduled hike in social-security.

Contradictions and reservations in his statements once earned him the title of "The Yes-and-No-Man" among Washington newsmen. "He has stood squarely on both sides of every issue of the past ten years," one wrote. Hugo Black, when Senator, asked, "Is he for it or against it?" after listening to a long speech by Vandenberg on a work-relief bill. "Vacuity, Vacillation and Vandenberg" was the late Joseph Robinson's, onetime Senate majority leader, suggestion for a GOP slogan in 1936 when Van was a presidential possibility.

He has described his political philosophy as "sane and sympathetic liberalism grounded in sound and unsurrendered constitutionalism." He believes "heartily" that human rights far outweigh property rights "tempered always with the reservation that property rights are among the greatest of human rights and you can't have the latter without the former." Toward social experimentation he is "friendly" so long as no vested rights or privileges are disturbed.

Perfectionism v. progress

TODAY his party leadership on international affairs stands unchallenged. As co-architect of our bipartisan foreign policy, he has reaped rich dividends. As he sits high up in the Senate president's chair, his carefully combed silver hair and neat bow-tie lending serenity to the picture, his eyes are still on the future, where greater tests of his mettle lie—tests that may spell success or failure in achieving a peaceful world. Yesterday he helped trip up the League with his "perfectionism"; his fetish for "reservations" may count heavily tomorrow.



United Nations News



Veto on Peace

THE Atomic Energy Commission was assembling for a showdown meeting on the American plan for atomic control. Andrei Gromyko walked into the chamber fresh from his new appointment as a Deputy Foreign Minister of the Soviet Union. Bernard Baruch entered the chamber and, with the confidence of a man who knows he has won, threw his Soviet colleague a jovial greeting.

It was Baruch's day. With a notable and ever increasing show of intransigence, he had pushed his proposals through the Commission, ignoring the outright opposition of Russia and Poland and the polite reservations of Canada, France and the Netherlands. Personally and politically, Baruch seemed to be the untouchable, immune to criticism from his colleagues on the Commission and his associates in the United States. His sudden resignation—after his plan had passed the Atomic Energy Commission but before the battle in the Security Council had even begun—suggested that he had not been quite so untouchable.

Warren Austin will now steer the atom-control plan through its final

phases in the Security Council. This is fortunate. The general feeling among UN delegates is that Austin's answering speech to Molotov and his conduct as leader of the American delegation to the General Assembly were a valuable contribution to peace and the future stability of the United Nations. It is felt that he represents America's views with firmness and honesty without giving offense to the Russians. His appointment as delegate to both the Council and its Atomic Energy Commission unifies the US command. It creates the brightest chance that the obstacles in the way of establishing an international Atomic Development Authority will be removed.

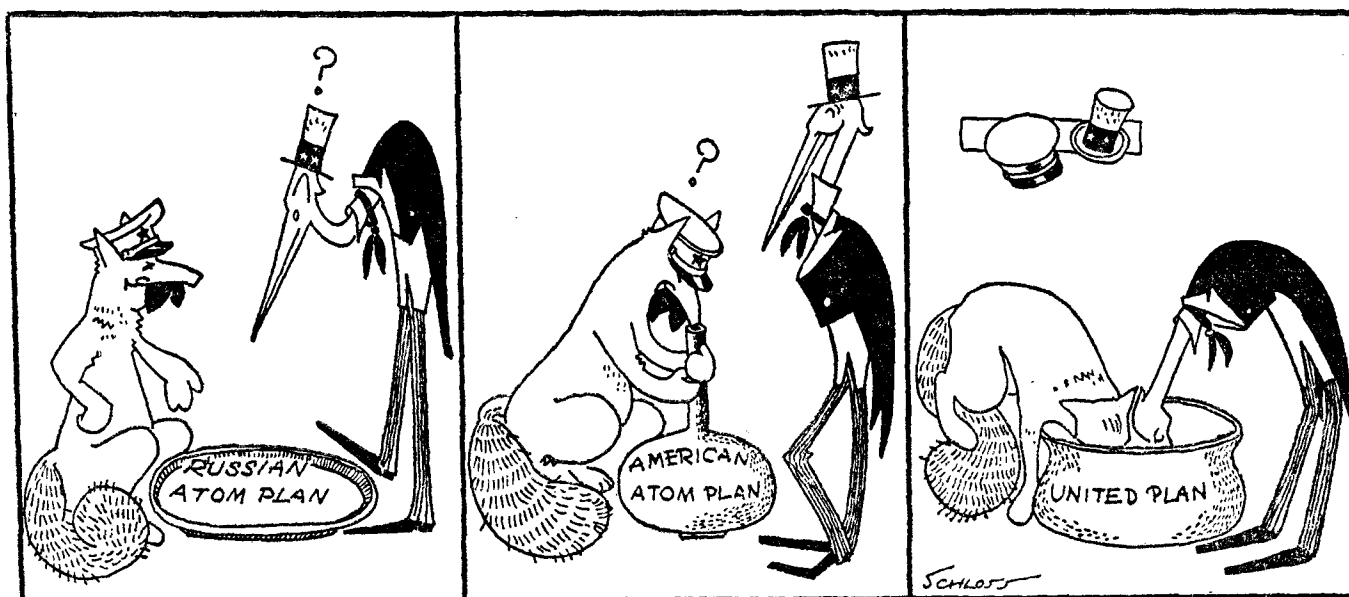
As Baruch saw it, atom control hinged on the veto. First, a control treaty would be drawn up by the Security Council and any of the Big Five could veto its terms in the drafting stage. Second, the treaty would provide for control and inspection commissions under the jurisdiction of the Security Council but free of the big-power veto. Third, the treaty would provide for sanctions against violators and no permanent member of the Security Council could prevent punishment by use of the veto. It was Baruch's intransigence on point three that prob-

ably made his resignation imperative. Senator Austin may be empowered to reverse that position.

The importance of the veto has been vastly overrated. In the first place, the Charter explicitly states that decisions on important matters must be taken with the concurrence of all five permanent members of the Council. Elimination of the veto is, on the surface, illegal. Furthermore, if one of the Big Five is party to a dispute, it is automatically disqualified from voting when the Security Council recommends a procedure for settling the problem peacefully. If an actual attack is made, immediate self-defense is permissible under the Charter and presumably the attacked nation would defend itself in any case.

Suppose, after the treaty is concluded, that the inspection commission wanders through Los Alamos and discovers that the United States is making atom bombs in violation of the treaty. It reports this to the Security Council which recommends that the bombs be destroyed immediately. The United States has no power to veto this recommendation. If the US continues to make bombs and refuses to destroy those already completed, the Security Council may suggest collective aggression against the offender. The United States might reasonably be expected to retaliate by dropping the bombs it has been making.

This is war, no matter how you look



STILL A FABLE

at it. The elimination of the veto (a) doesn't affect settlements short of war when one of the Big Five is an offender, and (b) cannot prevent war. The UN Charter recognizes that power politics exists; that certain states are more important in keeping the peace than others. This is why the veto was incorporated into the Charter in the first place. The United Nations organization is a step forward from the League of Nations, but its power over governments and over people does not compare with US federal power over the 48 states and their inhabitants. Until such international power exists, we may as well face the fact that the veto is the open expression of power politics. And the existence of power politics may as well be kept in the open.

In the meantime—and it may be a long meantime—the United Nations can do much to develop mutual trust. They are not doing much to advance it, however, when Bernard Baruch, one of their ardent spokesmen, quits his post with the observation: "I see no reason why this country should not continue the making of bombs, at least until the ratification of the treaty."

THE Security Council held its first session with its new membership last week. The Big Five, together with Australia, Poland and Brazil, were meeting together for the eighty-ninth time. Syria, Colombia and Belgium joined them for the first time, replacing Egypt, Mexico and the Netherlands. In addition to a knowledge of the personal and political characteristics of their colleagues, the old members of the Security Council have gained some fairly specific knowledge of what is expected of them publicity-wise. Andrei Gromyko, who shied away from the press when he first arrived here, had a few pointers for one of the new members, Faris el-Khoury of Syria. Just before the first meeting opened, Gromyko walked in, took his assigned seat next to Syria. A press photographer immediately rushed over, asked the two delegates to pose for a picture. Faris el-Khoury stood up stiffly, but Gromyko rose, smiled broadly at his new colleague, put out his hand and said, "Come on, they want us to shake."

JANE BEDELL



Labor



Hard to Scare

ORGANIZED LABOR, as represented by its skilled, experienced Washington staffs, was mildly pleased but not astonished at the "moderation" of President Truman's recommendations on unions in his message to Congress. Surprising as it may be to the gentlemen on Capitol Hill, moreover, the labor leaders were not greatly worried by the flood of union-curbing bills promptly proposed by congressmen from districts where the corn grows tall and the human complexities of modern industrial relations are little known.

Both AFL and CIO spokesmen recognize that jurisdictional and wildcat strikes, and sometimes secondary boycotts, constitute real abuses. They would be glad to help the President get rid of them. The leaders have frequently gone into hot local situations to help break wildcat work stoppages. But they know and respect the Constitution, including the Thirteenth Amendment, prohibiting involuntary servitude, and they see the great difficulty of framing laws to check abuses without depriving workers of the constitutional right to quit work, individually or collectively.

CIO lawyers said, after the President's message, that Truman's distinction between "justified" and "unjustified" secondary boycotts was legitimate. As a matter of fact, they complained, the CIO had suffered considerably from AFL boycotts of building materials produced in CIO-organized plants. But expert lawyers hadn't been able to frame a law to deal with boycotts which would not violate the "right to strike," and voluntary agreements would be preferable to bad legislation.

An AFL publicist, discussing strikes in which one union tries to disrupt another which has won a National Labor Relations Board election, said, "We're against that whether the AFL or the CIO is guilty." But the solution, he added, was a tough problem; the only real cure, he thought, was to work out voluntary machinery, as the AFL has already done

to check jurisdictional strife between unions in its Buildings Trades Department. Union leaders also recognize—as the anti-labor stalwarts in Congress do not—that restrictive laws might promote, rather than discourage, industrial strife.

LABOR realizes that Congress may plunge wildly ahead with anti-union laws. Something similar to the new Ball-Taft-Smith bill (the cold leftovers of last session's Case bill) will probably be passed, and possibly re-passed over the President's presumed veto. But the unions are not frightened. It is fair to describe them as viewing Ball, Taft, Case, Smith, *et al.*, with anger but not with apprehension.

Suppose, for example, that a bill against the closed shop were passed. Is there any law which can compel union members to work with non-union workers? Would any such law be constitutional? AFL lawyers think not. They think, furthermore, that the result of an anti-closed-shop law would be to harden industrial relations and create strife.

Suppose a bill should be passed making union treasuries liable to civil damage suits for contract breaches. That might expose the treasuries to serious raids. But the history of penalty clauses in United Mine Workers contracts indicates that workers faced with heavy financial levies may simply stay on strike longer in an attempt to have the levies waived.

William Green issued a formal statement praising Truman's statements on labor. Another AFL leader pointed out that the President, in saying that some secondary boycotts were "justified," had gone farther than any previous Chief Executive. The CIO has just issued, a few days ago, a statement analyzing various labor bills offered in the early days of this Congress.

Unions will fight these bills. One spokesman commented: "Every anti-labor bill they've passed has boomeranged against them. Every one they pass

this session will boomerang against them." Labor is battenning down its hatches, but it has no intention of running for cover—not so long as 60 million Americans, union wage earners and their families, know how to defend their rights.

AS THE floodtide of portal-pay demands rolled past the \$3 billion mark, a couple of CIO spokesmen answered mildly the editorials and congressional statements decrying the lawsuits.

Van A. Bittner, director of the CIO's Southern organizing drive, publicly stated that the unions had no intention of destroying industry. When companies "show the court their inability to pay," he remarked publicly, "the unions will be willing to negotiate."

Lee Pressman, CIO counsel, pointed out that the exact amount due workers under the Supreme Court's Mount Clemens Pottery decision is still to be determined in District Court. The hue and cry about a pending case, Pressman suggested, was scarcely in the Anglo-Saxon tradition regarding the administration of justice.

MOST of the congressmen shouting for compulsory arbitration will lower their voices when they finally realize that, as US Conciliator Edgar L. Warren pointed out last week, the National Association of Manufacturers dislikes compulsory settlement of wage disputes as heartily as unions do. Warren, addressing the NAM's Institute on Industrial Relations in the lush warmth of Boca Raton, Florida, stressed the fact that no government agency now exists to raise or lower wages, and that industrial peace this year therefore depends almost wholly on how sensibly unions and management deal with each other. The Ball-Taft-Smith bill, unhappily, would disrupt the Conciliation Service and the Department of Labor itself by setting up a new hot-shot, three-man mediation board outside the jurisdiction of the Secretary of Labor. That contradicts the Republican platform for 1944, which criticized the New Deal for scattering labor agencies all over Washington, but Senator Taft apparently doesn't remember the 1944 platform.

WILLARD SHELTON



Theatre



Literate Drama

TEMPER THE WIND," at the Playhouse Theatre, is a topical drama that stands out among topical dramas by being both sincere and intelligent. Edward Mabley and Leonard Mins, the authors, have chosen a situation that is most pertinent to our day. But it has so many sides and such a vast pattern of complexities that any outline of it here can only mislead. For what is admirable in this play is the substance; it could have the same story and situation and be quite another sort of piece. You need to see "Temper the Wind" to realize the dignity and sense of the authors' approach.

An American, Lieutenant Colonel Richard Woodruff, is in charge of a German industrial town which formerly made munitions for Hitler. Woodruff's official job is to denazify the town. His great problem is how to accomplish this without ruining the town. Through his acquaintance with Hugo Benckendorff, its leading industrialist, he comes into contact with many differing people and varied points of view. Benckendorff, for instance, wants to resume production at once to stave off idleness, starvation and anarchy. An American businessman urges the rebuilding of German industry to arm the West against the Russian threat. Many other opinions are expressed, but Woodruff holds to his purpose, which is first to denazify the industry before any further steps are taken. The result is that presently rioting breaks out, a German civilian is killed, an American soldier is killed and so on.

The authors have no easy or glib solution to the problems shown. There is no facile stagecraft to gild the topical pill. There are no indulgences in banal sentiment. The many comments are in terms of the characters and events; they are not preached on to the play or mouthed like ready editorials. The characters themselves are remarkably varied, and are portrayed by a cast that is greatly above average.

I can think of no other actress on Broadway who could have done the part of Sophie von Gutzkow, the aunt, with as much authority and line as Blanche Yurka achieved. This woman is intended to represent the quintessence of the inflexible Prussian. It requires hardness of edge in the playing, but no distortion or absurdity. It also implies that sort of Continental distinction and elegance that is to be found in a woman of her class, a distinguished, cold elegance hard to convey in words but easily recognizable. This of all the characters in the play is the one that best shows up the contrasting ingenuousness or naïve high-mindedness or intrusive folly or pioneer optimism represented by the American colonel (played by Thomas Beck).

Reinhold Schunzel, as Benckendorff, the industrialist, also an important figure in the story, held the attention very well for the most part, but chose to keep up an excess of leisurely mannerism that lessened the force of the role. The part of Erich Jaeger, the fanatical, almost pathologically unreconstructed Nazi, was played by Tonio Selwart with a fine nervous energy and style.

Reginald Denham's handling of this play, so difficult to direct, so full of pitfalls for directors without taste and sincerity, was capital. It is possible, though, that a little more underscoring or intensifying at times would make the performance more gripping.

Obviously, "Temper the Wind" is a topical drama, which means that it deals with a subject definitely belonging to the moment. This leads to an interesting point with regard to our American, or Broadway, theatre, which is our nervousness about risking the production of plays on the same subject. I heard lately for instance, of a case in which two plays treat of the same king, dead and gone many centuries ago, and the competing producers are therefore in panic. In Paris, on the contrary, there are at present four plays in line for production, all based on the Don Juan theme.

STARK YOUNG



Movies



Malraux and Crawford

IN AND AROUND Barcelona in 1938, André Malraux wrote and directed "Tierra de Teruel," a film based on episodes from his novel *Man's Hope*. At that time Malraux was a squadron leader in Spain. (Later, in France, he commanded a whole division.) The picture is acted chiefly by peasants from Teruel and Santa Clara and by members of the International Brigade, and through them Malraux shows, more forcibly than I have ever seen before, the indomitable spirit of the Spanish resistance. He shows man's humanity to man when, in a long, agonizing funeral march outside Santa Clara, the whole population of a town walks up a mountain to thank a few men of various nations who gave their lives to fight oppression.

It is almost incredible that Malraux could have made this film at the time he did. With everyone fighting, or afraid, or busy, or belonging to the other side; with snipers in the streets and the try-out Dorniers, Heinkels, Stukas and Focke-Wulfs in the sky in dreadful droves, he managed to make an exact, beautiful, heart-wrenching document on one phase of the Spanish civil war. This is not seeing a picture of a revolution, but living through a segment of it.



After Malraux had completed this film, its fate paralleled the course of European history in those days. It had to be smuggled across the Pyrenees when Catalonia fell; the Munich-spirited French government would not let it be shown publicly. I understand it not only had to go underground but had literally to be buried during the days of Vichy and the German occupation. A distinguished score written especially for this film by Darius Milhaud enhances the poignancy of its moving scenes. Certainly works of such art, power and significance as this and "Open City" should be given an international release. "Tierra de Teruel" should be shown to everyone over fourteen—and repeatedly.

I DON'T remember Fannie Hurst's original "Humoresque" in which Vera Gordon played the star part and Alma Rubens played the woman who loved the musician.

The Warner Brothers version showing currently, with Joan Crawford, John Garfield and Oscar Levant, is one of the best movies I've ever seen. It is too long, although I don't mind that; it is frankly sentimental; and, most wonderful of all, many of its lines seemed to me more pertinent, funny and wise than any I've heard from the screen or stage in years. "Humoresque" is a good example of what can be done with a trite tear-jerker, by Clifford Odets, who wrote the adaptation; by producer Jerry Wald; by the director, Jean Negulesco; and by Oscar Levant, who, in addition to a highly satisfactory performance, is responsible for a great deal of the dialogue. What they have made of this story gives a convincing semblance of genuine feeling: it is, now that standards and, in a way, even emotions, have changed, a picture to bring tears even to the wary. I think it's a powerful love story, done with imagination and intelligence. It was a surprise to me. I had expected to hear great music awkwardly dubbed into the tale of creaking mother love to the sound of hearts breaking. Instead, I was caught up in the lives of

real, good people, behaving as I have seen others behave—with the exception, perhaps, that the characters in "Humoresque" are better artists than most people I know.

There is a great satisfaction in seeing a worthy intention carried out. The team that made this picture had, as part of its intention, to show the lyrical feeling that several people had for one another. There is the main theme of the love that a rich, older, married woman has for the young violinist she launches—and I felt it would have been nice if nobody had meddled with *that*; there is the unceasing devotion to the artist of his friend, the poor pianist, whose wry, sad remarks, sometimes brilliantly humorous, unaccountably annoy the lovers he is nursing; there is the astonishingly patient love of the virtuoso's childhood sweetheart; and there is the fearful love of the hero's mother, who thinks, as many mothers do, that what seems conventionally right should always prevail. As usual, she suffers accordingly. One of the most striking virtues of "Humoresque" is that, although in song and story we are accustomed to the cliché of making a Lower East Side New York family lovable, understanding and absolutely irresistible by showing them as goons with an accent it wouldn't take a sharp knife to cut, here, from the beginning, the whole family speaks well and to the point and with grace.

There is in "Humoresque" a suggestion of another very good movie—"A Star Is Born"—in which Fredric March gave his best performance. There is not much similarity between the two films, but a flattering comparison to make would be that Joan Crawford is as good in this as March was in the other. This performance gives her a stature she's never had. John Garfield again manages the touching combination of toughness and sensibility that makes him always interesting to see. J. Carroll Naish is fine as the father; Ruth Nelson and Paul Cavanaugh, as the mother and the husband, are equally good; and Joan Chandler, whom I admired recently in "The Late George Apley" on Broadway, is exquisite as the girl. Oscar Levant, as a movie actor, appeals to me personally as nobody has since I put my hair up, some time ago. SHIRLEY O'HARA



Books



A Note on Publishing

AS EARLY as 1910, there was already a large public for American books. There was in fact a larger public than would exist for many years after the First World War, provided that the books were of the sort this prewar public liked and could understand. It liked novels chiefly; it liked them if they were full of sentiment or swordplay, adventure in far places or local color; and if, at the same time, they moved by resolute steps toward an ending that satisfied the Protestant conventions.

It liked Gene Stratton Porter, who by 1915 had written *Freckles* and four other novels with a total sale of eight million copies. It liked John Fox Jr. (*The Trail of the Lonesome Pine*), Jack London (*The Call of the Wild*), Kate Douglas Wiggin (*Rebecca of Sunnybrook Farm*) and Harold Bell Wright (*The Shepherd of the Hills*). In all, between 1901 and 1915, it liked 19 books well enough to buy more than a million copies of each; whereas there were only three books, two of them non-fiction, with a sale of more than a million copies between 1916 and 1930.*

The years before the other war were an exciting time for publishers who could gauge the public taste. Men like Colonel Harvey of Harpers, George H. Doran and Walter Hines Page had reached an eminence from which all of them, but especially Page, looked down toploftily on literary critics and treated authors like children to be spoiled or birched. The same years, however, were a dismal period for American literature. The public that adored Pollyanna would have nothing to do with novels that denied its belief that virtue was rewarded in this world as well as the next.

It would not attend serious plays. It would not read verse written in other manners than those of Ella Wheeler Wilcox and James Whitcomb Riley. It would not even read most of the authors

* *The Outline of History*, by H. G. Wells (1920); *The Sheik*, by E. M. Hull (1921); *The Story of Philosophy*, by Will Durant (1927).

whose reputation had been established late in the nineteenth century. The collected edition of Henry James, which appeared from 1907 to 1909, had very few buyers; and even Howells complained a few years later of being "a comparatively dead cult with my statues cut down and the grass growing over them in the pale moonlight." Younger men who hoped to write like James or Howells were advised by their publishers to choose a safer model, like one of the historical epics by Winston Churchill of New Hampshire—at any rate something big, colorful and optimistic, with a plot that was easy to follow.

During those flush years for the publishers of popular fiction, there was an almost complete break in the literary tradition that had been founded in New York and New England before the Civil War. If serious literature was to flourish again, a new beginning had to be made. Besides new writers, there had to be new publishers to present their work to a new audience, whose tastes still had to be formed.

GIVEN this background, we can begin to appreciate the work of the publishers who appeared shortly before 1920. Most of them were hospitable to the rebel poets and novelists whose work had been rejected by the long established firms. Mitchell Kennerley was the first of the new enterprisers; his business was founded in 1905. It was discontinued after 1916, but not without leaving behind it a record of literary as opposed to purely commercial publishing.

B. W. Huebsch, another of the new men, helped to introduce many European authors to this country; he published Joyce, Hauptmann, Sudermann, Strindberg, Chekhov and Gorky. In 1925 he carried many of his authors to the newly founded Viking Press. Alfred A. Knopf, after working for Doubleday, Page and for Kennerley, started his own business in 1915. He, too, specialized in European authors, including an amazing number of those who would

later win the Nobel Prize. Among the younger Americans, he published Cather, Hergesheimer and Mencken.

There had come to be a conflict in the book world between the "old-line" publishers, who were accused of stodginess and commercialism, and the new publishers, who were accused of recklessness, bad taste and financial instability. The new firm of Boni and Liveright, founded in 1917, sharpened the conflict by being the most reckless of all. It became famous for making big advances to what were then regarded as dangerous authors—Dreiser, Anderson, Jeffers and O'Neill among others—and for the Roman banquets of its president, Horace Liveright. But the firm was also famous for the Modern Library, which proved to be one of the soundest publishing ventures in recent times.

Albert Boni, one of the original partners, was chiefly responsible for founding this reprint series, but when he left the firm in 1918 he did not succeed in carrying it with him. Bennett Cerf, a younger partner, won the prize when he parted company with Liveright in 1925. In partnership with Donald Klopfer, he used the Modern Library as nucleus for the new and successful firm of Random House. Boni and Liveright was always being deserted by partners and executives who wished to start new firms of their own. By a process of fission, it eventually became the parent or at least the uncle of a whole group of publishing houses, some literary, others commercial, but most of them having policies that seemed unconventional and even startling to the old-line publishers. At one time or another the group included not only Albert and Charles Boni and Random House, but also Thomas Seltzer, Simon and Schuster, Covici-Friede, Julian Messner and Boni and Gaer—not to mention the Liveright Publishing Corporation, which acquired the copyrights of the original house after Horace Liveright's death.

ANOTHER firm, founded in 1919, married to build a bridge between the old and the new. Harcourt, Brace began by publishing John Maynard Keynes' *Economic Consequences of the Peace* and went on, in 1920, to publish Lewis' *Main Street*, the first book by any

the new novelists to reach a sale of half a million copies. In 1923, Boni and Liveright reissued Dreiser's *The "Genius,"* which had been suppressed by the censors in 1916; on this second appearance it reached the best-seller lists. Helped by the rebel publishers, the rebel authors of the wartime years were becoming the dominant authors of a new era.

One after another, the established publishing houses began to liberalize their policies. The chasm between new and old-line publishers disappeared after 1925; the fact was that some of the older houses, especially Scribner's, were by then showing more hospitality toward experimental writing than several of their younger competitors. If not too strictly bound by tradition, the older houses had a better chance for success in what was once again becoming a prosperous and highly competitive field.

ALL DURING the inter-war period, the publishing trade remained essentially what it had been from the beginning: a curious mixture of profession, art and business. On the professional side, it involved a relationship between the publisher and his authors closer than that existing between a lawyer and his clients. The publisher, besides being a middleman and a business adviser, had to act on occasion as a banker, manager, critic, publicity agent, psychiatrist and drinking companion. This personal relationship explains why there is no "best" publisher in the country, any more than there is a best family physician. There are many good publishers, and each one of them may be the best for some type of book or some particular author.

On the literary side, publishing involves the ability to recognize two sorts of values: those of a purely literary nature, and the others that a public is ready to accept. Even the best publishers waver between the two standards, but during the inter-war period they were probably more interested in literary values than at any previous time in our history. They tried to keep ahead of the public taste; they listened to serious reviewers, where earlier publishers would have brushed them aside; they paged through the little magazines looking for new au-

thors; and they were willing, at times, to spend money on books that would never have a sale. Even Simon and Schuster, more famous in those days for crossword-puzzle books and new systems of playing auction bridge, burned some costly incense at the Muses' shrine by publishing first novels that had the promise of literary quality but not a trace of popular appeal.

The inter-war period was the age of literary experiments in publishing, whereas the early 1940's were the age of sales records and marketing experiments. Even some of the more literary houses were now less concerned with the search for masterpieces than with the search for book-club choices. There was money in books during World War II—as there had been in that other age of best-sellers before World War I—and editors with literary tastes plunged into purely commercial publishing with something of the same excitement that young intellectuals like Andrew Car-

negie felt when they plunged into business during the Civil War.

And yet, for all the recent experiments in the mass production and mass marketing of books, publishing has somehow resisted the general business tendency toward concentration. This is particularly true of trade-book publishing, which has to be distinguished from reprint, technical and subscription publishing; it might be defined as the choice and preparation of new books for sale through the bookstores. Today there are probably three times as many trade-book publishers as there were before the First World War. They operate in a field that is still dominated by small businesses.

THERE seems to be some almost biological law that controls the size of publishing houses. Usually, in their first year of life, they announce their intention of publishing what they call "a small but distinguished list," or "a moderate number of books each year of as



This is one of 125 illustrations from George Grosz's autobiography, A Little Yes and a Big No (Dial, \$7.50). Grosz tells the story of his life in Germany, where he was one of the most famous anti-militarists and later anti-fascists of his generation. Narrowly escaping the Nazis, he came to America in the early thirties. Like many other artists, he is a first-rate writer, but as his pictorial work in America represents a decline from his brilliant early drawings, so does his account of his American experiences suffer in comparison with his memories of his life in Imperial and Weimar Germany. —G. M.

high a quality as possible." They want to be limited and select in their output, but the best of them grow as if in spite of themselves. Each season they publish a few more books than the season before, until at last the original "small but distinguished list" has become as large and possibly as undistinguished as any other.

AT THIS point, the new firm comes into contact with other circumstances that check its growth. Perhaps it loses touch with the changing tastes of the public. Perhaps its fund of new ideas becomes exhausted. Or perhaps—and this happens more frequently—the head of the firm no longer has time to conduct the professional side of his business and has to delegate that task to a bright young editor. In that case it will be the editor, not the owner, who stands in a close personal relationship to the firm's authors. If the editor is ambitious or dissatisfied, and if he can find the necessary capital, he is likely to found a new publishing house of his own, taking some of the authors with him. The whole process of growth and division starts over again.

There are dozens of examples that one could mention from the publishing world of the last twenty years. In 1927 the large publishing house of George H. Doran and Company, of which John Farrar and Stanley Rinehart were junior members, merged with the still larger house of Doubleday, Page. In 1929, Farrar and Rinehart resigned from Doubleday, Doran to start a business of their own, which prospered almost from the beginning. I think it was in 1945 that Farrar withdrew from the new house (which then became Rinehart and Company); and in 1946 he helped to found Farrar, Straus and Company. Two publishing houses become one; one becomes two; two become three. It is a process something like drops of water rolling down an inclined plane; they combine and separate and sometimes recombine; and yet—in the case of publishers—each drop somehow retains its own identity.

For the truth is that the publishing business during the last forty years, in spite of its various corporate arrangements, has been largely a matter of individuals. It was individuals who

founded the newer houses, and individuals who gave each of the older houses its special character. To mention only a few names, it was individuals like Alfred Knopf, with his passion for well designed books that other publishers would copy; like Horace Liveright, with his disregard for finances and his imperial kindness to rebel authors; like Alfred Harcourt, with his interest in public questions; like Maxwell Perkins, of Scribner's, with his support of Fitzgerald and Hemingway and his inspired editing of Thomas Wolfe; like Warder Norton, with his faith that the public would read scholarly books if they were well written; like Freeman Lewis, with his passion for selling cheap books to a mass market; like James Laughlin, with his determination to reprint the classics of the 1920's; like William Sloane, with his gift for discovering and sometimes inventing best-sellers—it was these and others like them who were directly responsible for the changes in the publishing world since the days before crossword-puzzle books, when Dreiser was a four-letter word and Gene Stratton Porter was the great American author.

MALCOLM COWLEY

China

THE NEWS from China is so gloomy, the excellent current books about it are filled with such melancholy reports and the stories told by returning travelers are so depressing that it is easy to fall into the conviction that this oldest and most populous of lands has become tired, decadent and doomed to a living death. Yet nothing could be further from the truth, since, for all its blackness of immediate outlook, the great fact about China is her tremendous sense of dynamic life and her zestful spirit. Not even her present government can destroy a vitality that is a fascinating combination of the qualities of great age and vigorous youth.

It is not in particular the purpose of *China* (The United Nations Series, University of California Press, \$6.50) to advance so cheering a view, its intention and manner being somewhat more academic. It is a learned and comprehensive survey of the background, historical and political development, philosophy and

religion, arts, literature and education, the economics and reconstruction, and the prospects for the future, of a country that is more of an entire civilization than a mere nation. Edited by Harley Farnsworth MacNair and listing among its thirty-three contributors such authoritative names as Derk Bodde, L. Carrington Goodrich, Karl August Wittfogel, Paul Linebarger, Agnes Smedley, Hu Shih, Kenneth Scott Latourette, Florence Ayscough, Wang Chi-chen, Pearl Buck, Alice Tisdale Hobart and David Nelson Rowe, it is a symposium more concerned with scholarly exposition than with exhortation.

In fact, though its authors include both Miss Smedley, the most passionate of the left-wing advocates, and Paul Linebarger, the most persuasive of the Kuomintang defenders, it is rather an objective book, which is not altogether to its credit. For, despite its frank and thoughtful contemplation of so wide a range of subjects, the prevailing academic quality of the work occasionally gives the impression that its view of China lacks vigorous flesh-and-blood reality. Nevertheless, in addition to the wide amount of intelligent information it supplies, *China* possesses the great virtue of suggesting by implication the tremendous vitality, the stimulating spiritual and intellectual ferment, the instinctive democratic temperament and the inexhaustible energy and variety of a nation and of a civilization that are in the painful process of renaissance rather than in the throes of death. Politics occupies a comparatively small part of its 562 pages, and the reader concerned with this vital world matter would be well advised to supplement it with the brilliant *Thunder Out of China* of Theodore H. White and Annalee Jacoby. Chiefly, the California Press's *China* is occupied with philosophy, religion, history, literature and economics in their more academic phases, but the contributors are not so detached as to be without their shafts of criticism.

THE VARIOUS Chinese contributors, in particular, are frank and unsparing in their analyses of what they see as the weakness as well as the strength of the philosophy, culture and art of their own civilization. For ex

ample, in one of the best essays in the book, Wang Chi-chen speaks with caustic brilliance of "the rational and utilitarian civilization of the Chinese, whose 'cleverness' and 'wisdom' have cost them their early leadership in the race for progress." On the basis of this chapter on "Traditional Literature: Nature and Limitations," I cannot help wishing that Wang had written the chapter on the gallant effort of the progressive Chinese playwrights in wartime Chungking to build a new national drama combining the best of the democratic spirit of the East and the West.

It was left to Dr. MacNair, the editor, to carry the criticism in the book to the extreme of including Sun Yat-sen among its recipients. In his chapter on the early Chinese Republic, MacNair says that the Father of the Republic "unconsciously strengthened Nipponese ideology and plans for the 'Greater East Asia Co-Prosperity Sphere.'" He talks rather loftily of the "apotheosis of the hero at the hands of certain of his Russian advisers and Chinese followers of the more radical type," and notes, apparently with approval, that "for his acceptance of Red aid while rejecting Red thought, the founder of the Kuomintang has been described as 'the first of many world statesmen to fall victim to the fallacy of the popular front.'"

In view of the need for an approximation of such a Sun Yat-sen popular front in present-day China, as well as Dr. MacNair's signature on a sound recent petition apparently acknowledging that need, the criticism seems odd.

There is something ironic, too, in Esson M. Gale's assault on "the Roosevelt-Hull appeasement of Japan," which, he says, "resulted, in part, in Japan's attack on Pearl Harbor and open warfare," when important Republican leaders continue to insist that Roosevelt and Hull brought on Pearl Harbor by sacking on Japan to save their radical friends in China. However, these particular two criticisms do not set the tone of a book that contains much valuable and provocative food for contemplation.

RICHARD WATTS JR.

Richard Watts Jr., drama critic of the New York Post, during the war was editor-in-chief of the Office of War Information in China.

Bandwagon

The Facts of Life

The cost of living will continue to rise during 1947 due largely to the lack of interest in their work by so many wage-workers. —Roger Babson in his syndicated column.

GOOD MORNING!

The earthquake and tidal wave in Japan are regrettable, of course. In addition to taking Japanese lives and causing heavy damage, they increased the problems of American occupation forces. They must cope with the emergency.

—Front-page box in the El Paso Times.

Faulty Intelligence

One of the most concentrated attacks was on Citrus House, British military headquarters in Tel Aviv. A group estimated at 40 or more terrorists on the roof of a building opposite Citrus House opened fire with machine guns and small arms at the third floor across the street. This was the wrong floor and they merely hit the kitchen help, while British officers were dining on another floor. —From a story by Gene Currian in the New York Times.

The Silken Curtain

Off-shoulder gowns were the rule in Rome and Florence; but many of these were designed while the King was still in his palace and Roman society could look forward to a series of court balls. Now that the proletarian government they so dreaded has become a fact, Italian designers will probably feel obliged to shield their clients' shoulders from the vulgar gaze, although diplomatic parties will always exist as an outlet for high fashion. —Marya Mannes in Vogue.

Pie in the Sky

Henry H. Rathbun, president of the Dairymen's League Coöperative Association, admitted at his home in New Hartford, New York, that the League had been buying butter to "prevent a threatened decline of 22 cents per hundredweight in the January price of

Because

"In his book we have Thomas Jefferson and Andrew Jackson brought up to date in terms of education, soil erosion, freight rates, the Tennessee Valley, and true democracy."

—HENRY A. WALLACE

People are buying

The Shore Dimly Seen

By ELLIS G. ARNALL

● "You read this book not only with a sense of the excitement of the battles he has fought but with a sense of the exciting days ahead."

—Lewis Gannett

● "Ellis Arnall has written a book not merely about the South for Southerners but about America for Americans. If Claghorn can read, he won't read it. But its reading is imperative for the rest of us."

—Jonathan Daniels

● "The book is marked by the kind of drive and inspiration which Governor Arnall always exhibits in action . . . Inspiration and vision are found on every page."

—Thurman Arnold

3rd BIG PRINTING

At all Bookstores • \$3.00

J. B. LIPPINCOTT COMPANY
Philadelphia New York

milk," but said the League's activities had been perfectly legal and "in the interest of the consumer." — *UP dispatch from New York City.*

Paternalism

British forces have destroyed or greatly damaged nearly a dozen villages in the Waziristan area of the Northwest Frontier Province as punishment for the recent abduction of a British political agent by Indian tribesmen. . . . The intent of the British, it was said, was to destroy the villages of the tribesmen—whose building materials are extremely scarce—"to keep them busy and out of mischief for the next few months." — *AP dispatch from New Delhi to the New York Herald Tribune.*

A Nice Distinction

H. D. Waters, director of vocational training at Albany High School, said today that classes in electricity and radio for white veterans, and bricklaying and carpentry for Negro veterans, have been started here. — *From the Albany, Georgia, Herald.*

The Higher Criticism

The book can hardly be classed as a full-length novel. Even though it covers 294 pages, they are very widely margined, and the reading of them covers the minimum of time. — *From the Philadelphia Inquirer book-review section.*

Democracy in Action

The War Department admitted today that the passing grade for Negroes on preënlisment examinations at Army recruiting offices is 39, whereas prospective white enlistees need score only 15. The preënlisment is in the nature of an intelligence test. — *David W. Nussbaum in PM.*

The American Scene

WRIGLEY'S
JUICY FRUIT

The gum with that fascinating
artificial flavor

— *Billboard advertisement.*

Our readers are invited to contribute to this column; \$1 will be paid for each item used. Address Bandwagon, care of the New Republic. Please enclose the original clipping. — THE EDITORS



Hollywood



The Machine from the God¹

LET US consider the theatre and not discriminate for the moment between stage and screen. Twenty-five hundred years ago in Athens there was a high civilization in which no mean part was played by the drama. The theatre has always been a potent tool of civilization, as the cinema is today, whether we face it or not. But among the Greeks it was paramount. And the people participated, we know that, for audience participation is essential to the theatre. The great Theatre of Dionysus would not have been built except for popular approval. And the dramas would not have gone on being written and produced for a hundred years. . . .

In the Greek tragedies whenever the poet was unable to resolve his climax by means of the drama (which means *action*) he introduced a god to settle things in short order. No catastrophe was beyond a god.

Being represented as a god, he could not walk up the platform steps like an ordinary hero but must descend from the sky, and down from the sky he came, delivered by some sort of machine, the exact nature of which has thinned the hair and dimmed the eyes of many scholars. No doubt the pagan gods were full of human nature and susceptible of becoming stage-struck. At any rate, after waiting up in the wings for twenty-five centuries, during which time the Greek drama had been forgotten by all save writers and a few ambitious thespians, the god from the machine grew tired of neglect and sent down to man the machine itself.

It was called the kinetoscope, and like all gifts from the gods was at first regarded as a toy. Originally a movie was an object of childish curiosity. Here was a power to enrich culture and civilization, to bring infinite pleasure to mankind (for surely the purpose of art is to

give pleasure), and yet the men of culture, the novelists at their desks, the playwrights who had gone into the theatre never to come out of it, the artists at their easels, never raised their heads from their work. The thinking hearts and feeling brains of artists were untroubled as they left the toy to the nickelodeons and the modern gods—the businessmen. . . .

The kinetoscope is really a gift from the gods. Yet the gods exact a stiff price for what they bestow. Or to put it more practically, man's discoveries demand a new responsibility of him and those responsibilities may not be shirked without hazard. . . .

I AM no fool to cry out against the machine. I believe the cinema to be the greatest instrument of culture the world has known. And who would set the clock back? There was war, pain, sorrow in the world ages before men pried out the secrets of the thunderbolt and the atom. The clocks of civilizations cannot be turned back. They need re-winding with responsibility or they will run down. . . .

But an instrument of culture such as the cinema can be no better than the civilization that uses it. The ancient men of Athens, possessed of one huge theatre, used it richly and heroically, giving infinite pleasure to the people of their time and echoes of that pleasure to all posterity. It was a temple of tears and laughter, where man and his fate were probed, where the chaos of life could be caught and momentarily given shining form, where the mystery and joy of being could be made intelligible and flicker forth in exalted feeling, where men could richly laugh at themselves and their fellows, where they could have vital imaginary experience beyond the range of their lives.

And after two thousand years of Western civilization we have technically perfected our American Colosseum, the cinema, and in thousands of theatre spread over the country our people now find pleasure only in being terrified b

¹ From the introduction to *Best Film Plays 1945*. Edited by John Gassner and Dudley Nichols. Copyright, 1946, Crown Publishers.

werewolves and monsters of superstition sprung from medieval darkness; in finding out every hour and a half who killed whom for virtually no reason whatever except that threadbare motive of insanity; in watching carbon-copy private detectives with the moral and intellectual equipment of a toad commit and have committed upon their persons endless violence which is devoid of any meaning or adult connotations; in finding out that every third person in our midst is a victim of amnesia; in watching corners of eternal triangles grow round with wear; in viewing machine-made lovers making machine-made love in machine-made love stories; laughing emptily at comedies which show contempt for all human beings by pretending that people are only funny when their behavior is unatic, whereas it is obvious that to the humorous mind people are only funny when they behave quite seriously and that lunatics are a subject for compassion. . . .

THE fact is, we have completely corrupted the meaning of the word entertainment in the modern theatre. And since the screen reaches millions to the stage's thousands, our corruption is the more grievous. Surely the aim of art, especially of the art of story-telling, is to give pleasure, which is to entertain. Entertainment means pleasure and not oblivion. Narcotics give oblivion; entertainment wakes us up, makes us richly alive. False users of the word entertainment, especially among film-makers, really mean oblivion and so cheat the people of real joy and pleasure. No man in his senses would assert that the people of Athens who laughed with Aristophanes and wept with Aeschylus were not being entertained, were not experiencing pleasure. Nor can we deny, to take a comparison that lies prophetically at the opposite pole of the ideal, that the people of Nero's Rome were not being entertained in their Colosseum when they watched beasts devour human beings or gladiators in mortal combat. In entertainment the question is quality degree.

Man's nature is dual and we may be in heaven or hell according to the way we use our cultural tools.

DUDLEY NICHOLS

TWO NEW BOOKLETS ON SCIENTIFIC HUMANISM

1. SCIENTIFIC HUMANISM—ITS ORIGINS, TEACHINGS, AND SOCIAL PROGRAM.

An outline of the Philosophy that May Provide a Basis for the Integration of the World's Great Cultures. By Dr. Oliver L. Reiser, professor of philosophy, University of Pittsburgh. 25c per copy, prepaid. This 15,000-word booklet (5½x8½ inches in size) contains the following valuable, timely, thought-provoking, rationalistic sections:

1. A Scientific Humanism Appears. 2. An "Ism" That Will End All Isms?
3. The History of Scientific Humanism. 4. Why is Scientific Humanism "Scientific"? 5. The Philosophy of Scientific Humanism. 6. Revolution is Perpetual.
7. Why Are We Here, Anyway? 8. Is Life Worth Living? 9. Does Life Have Any Meaning? 10. Why Be Good? 11. The Starting Point for Ethics. 12. What Does Morality Consist Of? 13. What Kind of Society Do We Want? 14. Economic Security is Not a Vain Dream. 15. Scientific Humanism and the Atomic Bomb. 16. Education for Tomorrow's World. 17. An Institute of Scientific Humanism.

2. A PHILOSOPHY FOR WORLD UNIFICATION.

Scientific Humanism as an Ideology for Cultural Integration. By Dr. Reiser. 25c per copy, prepaid. This 15,000-word booklet (5½x8½ inches in size) contains statements on scientific humanism by Thomas Mann, Julian Huxley, M. C. Otto, Henry C. Tracy, Lothrop Stoddard, Lancelot Hogben, and Herbert J. Muller. Dr. Reiser's part of the booklet contains the following chapter headings:

1. The Committee on Scientific Humanism. 2. The Great Transitions. 3. What is Wrong with Our Civilization? 4. Scientific Humanism as an Idea and a Program. 5. The Sources of Progress. 6. The Freedom of Man. 7. Social Planning and Creative Semantics. 8. Planetary Polarities. 9. Man as a Planetary Species. 10. A New Social Institution. 11. World Federation and the Unfinished Business of Evolution. 12. The Integration of All Knowledge. 13. The Alchemy of Energy.

If you want both booklets on Scientific Humanism, please remit 50c.

In addition to the above, we offer these booklets on Philosophy: "The Meaning of Existentialism," by Joseph McCabe, 25c. "The Anatomy of Negation," by Edgar Saltus, 75c. "The Philosophy of Disenchantment," by Edgar Saltus, 75c. "The Story of Philosophy," by Joseph McCabe, 35c. "The Wisdom of Life," by Schopenhauer, 50c. "Counsels and Maxims," by Schopenhauer, 50c. "Is the Philosophy of Dialectical Materialism Out of Date?" by Joseph McCabe, 25c. "Does Atheism Rest Its Case on Logic?" by Joseph McCabe, 25c. "Descartes' Discourse on Method," 25c. "Would a Godless World Make for Social Progress or Decline?" by Joseph McCabe, 25c. "Reason or Faith, Which Shall Prevail?" by Joseph McCabe, 25c. "Backsliders to God," by Isaac Goldberg, 75c. "The New Rights of Man," by H. G. Wells, 25c. "Nietzsche's Aristocratic Radicalism," by Georg Brandes, 75c. "A Defense of Philosophical Skepticism," by Sir Leslie Stephens, 75c. "In Praise of Folly," by Erasmus, 50c. "The Rise and Fall of the God Idea," by Joseph McCabe, 25c. "Energy—Creator of Thought," by Theo J. Vollkommer, 25c.

We prepay carriage costs. Mail orders to:

E. HALDEMAN-JULIUS, BOX 1511, GIRARD, KANSAS

CAMP

Shaker Village Work Camp



A co-educational summer camp for teen-agers. Located on a Berkshire mountainside in original historic Shaker buildings. Combines superb recreational and athletic facilities with an opportunity to form sound work attitudes and a genuine respect for tools, materials and people who use them. Projects include farming, construction, shopcrafts and the fine arts, folk-music and dances. Nearby Berkshire music and cultural festivals are attended as part of camp program. For brochure and information: 285 MADISON AVENUE, NEW YORK
Caledonia 5-2133

MAGAZINE

WHERE HENRY WALLACE WENT WRONG

by Louis Fischer

FEBRUARY ISSUE OF

THIS MONTH MAGAZINE

Newsstands or 247 Park Ave., N. Y. 17

JUST RECEIVED from PARIS

Beautiful Color
Reproductions

\$1.45 and up
PRE-FRAMED

Large selection of Art Books, Domestic and
French—Unusually Low Prices

TRIBUNE SUBWAY GALLERY

100 WEST 42nd ST. (Subway Arcade Downstairs)
Ask for Illustrated Catalogue

VAN GOGH
PICASSO
MATISSE
ROUAULT
UTRILLO
CEZANNE
RENOIR
DEGAS, etc.

**THE ORIGINS
OF BOLSHEVISM**(Towards the History of Democratic
and Socialist Ideas in Russia)By: THEODORE DAN
(in Russian)

Price: cloth bound, \$5.00 494 pages

May be ordered from A. YUGOW
510 West 123rd St. New York 27, N. Y.**DO YOU HAVE A
DIVORCE PROBLEM?**

Learn the answers to questions about ANNUITY, SEPARATION, DIVORCE, ALIMONY, PROPERTY RIGHTS, REMARRIAGES, WAR MARRIAGES and SEPARATION AGREEMENTS. The New simplified book, "Law of Marriage and Divorce," covers the law in 48 States. At your bookstore or send only \$1.00 today and we'll mail your 74-page book postpaid.

OCEANA PUBLICATION, Dept. 11,
500 Fifth Avenue, New York 18, N. Y.**NINETY BOOKSELLERS IN 15 CITIES** with several **MILLION** Books invite your inquiries. Mention interests if catalogues are wanted. **The AMERICAN ANTIQUARIAN BOOKSELLERS**, 529 S. Melville St., Philadelphia, Pennsylvania.**LANGUAGES****29 LANGUAGES** by Linguaphone, Russian, Spanish, Portuguese — Direct conversational method of mastering any language quickly, easily, correctly at home. Available under GI Bill of Rights. Send for **FREE** book. **LINGUAPHONE INSTITUTE**, 86 RCA Bldg., New York. CI 7-0830.**ITALIAN**, Spanish. Other 27 language records. All makes. Sold, bought, rented. A. Alin, 475 5th Ave., MU 3-1093.**MISCELLANEOUS****300 VITAL ANNIVERSARIES** of 1947. Invaluable for editors, writers, program planners. Send \$1.00. Bernhard Ragner, 411 Seventh Avenue, Pittsburgh, Pa.**ELECTROLYSIS****MODERN ELECTROLYSIS**—unwanted hair removed permanently. Free consultation. Specializing scientific face rejuvenation, neck, sagging muscles, double chins. Miss Lillette. WAdsworth 3-1845.**PERIODICALS****SUBSCRIBE FOR PERIODICALS** simply by asking me for them; any number in one order. Pay after 1 bill you at publishers' lowest prices. Catalog NR, free. John Crehore, Walpole, N. H.**POSITIONS WANTED****FORMER R. C. Priest**, highest integrity of character, business experience, excellent scholastic background (Europe) desires research, secretarial or any other position with liberal personality or organization. Write Box 858, The New Republic.**EXPERIENCED** young lady wishes administrative or interesting work, preferably progressive lines. Would consider any unusual position. Address: Box 855, The New Republic.**EX-BUREAUCRAT**, economic research, labor relations, writing experience and ability, looking for writing and/or research job. Address: Box 862, The New Republic.**APARTMENT WANTED****AS A RESULT** of a fire, I am in desperate and urgent need of a place to live for myself, my wife and my son. I am looking for an apartment in Manhattan, temporary or permanent, furnished or unfurnished. Will anyone having such an apartment or knowing of one please communicate with James T. Farrell, care of Vanguard Press, 424 Madison Avenue, New York City, PLaza 3-3906.**HANDWRITING ANALYSIS****SCIENTIFIC HANDWRITING ANALYSIS**Alfred Kanfer, 62 Leroy St., N. Y. C. Tel. WA 5-0959
Recognized by hospitals, doctors, psychologists, schools;
employed by firms and industries. Lessons. By ap-
pointment only. Marital education, vocational, psy-
chological problems. Fee \$3.00.**Correspondence***Reuther and Murray*

SIR: Certain inaccuracies in the reporting of labor news have crept into the *New Republic* during two recent issues (December 23 and December 30). It is not true that I personally "jumped the track" or that the UAW Executive Board acted "impulsively" in naming a specific figure for wage demands. Both Secretary-Treasurer George Addes and myself conferred with CIO President Philip Murray before the UAW Board acted. Murray had full prior knowledge of the proposed figure, and he stated to Addes and me that he was in agreement with the intended action. The UAW Board voted unanimously for the 23.5-cents-per-hour demand.

The *New York Times* of December 9—three days before our board announced the 23.5-cent figure—reported in a special dispatch from Pittsburgh: "Whether Mr. Murray will announce a specific dollars-and-cents wage goal [in the steel industry] . . . is not certain, but he has given the green light to the United Automobile Workers to put forward a specific wage figure at the meeting of its International Executive board, opening in New York City tomorrow." I happen to know that the correspondent who wrote that story based the above statement on a personal conversation with Murray.

The statement in your article, "Privately, Murray was furious with Reuther, but publicly he put as good a face on it as he could," is false and malicious gossip, not reporting. For your information, it faithfully follows the current Communist tactic of seeking to create ill will between the CIO president and myself and thereby to serve the purposes of those who would further divide the American labor movement.

In much the same category is your reference to the General Motors strike as "premature." It is a matter of record that the Communists employed the line that the GM strike was "poorly timed" as part of their game of factional politics within the CIO. At first the *Daily Worker* wanted the strike "broadened" into a general strike. They discovered that it was "poorly timed" later, when the GM strikers had already won wage increases for the Ford and Chrysler workers.

Every move made in the General Motors case had the approval of the UAW-CIO International Executive Board, and Murray was kept informed of every step as the case developed.

Surely the editors of the *New Republic* know that the UAW issued its first request for wage adjustments without

higher prices from the General Motors Corporation on August 18, 1945. From that date until November 21, 1945, General Motors refused public negotiations, federal conciliation and arbitration. Is it the implied contention of the *New Republic* that the just demands of the GM workers should have been meekly held in abeyance in the face of company obduracy, in order to satisfy the requirements of your correspondent's idea of what CIO strategy was? The General Motors strike need never have been at all, if GM had not put profits before its social responsibility.

WALTER REUTHER, President,
United Auto Workers' Union
Detroit, Mich.

[The labor reporter who filed the material in question to the NR from Pittsburgh makes this comment:

The information that Philip Murray was displeased with Reuther's demand for 23.5 cents came from two of Murray's closest associates in the steelworkers, both of whom just happen to be devout, practising Catholics and against whom the intimation of communism is absurd. Murray has made no attempt to conceal his attitude—he preferred and urged that no specific wage demands be announced, and none were announced at Pittsburgh.

Nor is it any secret that Murray did not like anything about the General Motors strike—the timing, the demand to see the books on the schism that developed between Reuther and Thomas. I do not know what the contention of the *New Republic* may have been, but it was Murray's contention in 1946, and again in 1947, that the big three of the CIO ought to conduct a coordinated campaign for wage increases.]

New Magazine

SIR: Many of your readers will be interested in a new intercollegiate magazine for student liberals, the first issue of which came out on January 9. This magazine, the *Student Progressive*, is to be published monthly during the school year by the Harvard Liberal Union and is intended to be representative of liberal student opinion in the United States. . . . The opinions expressed in editorials will be the views of the Harvard Liberal Union, but general articles will be accepted on any subject regardless of point of view expressed.

Students interested in distributing *Progressive* at their colleges, or in writing for the *Progressive*, are asked to write me at 43 Weld Hall, Harvard University, Cambridge 38.

ANTHONY PARTRI
Cambridge, Mass.



New Republic News



A Pair of Editors

TO GET on with the NR staff case histories:

The middle section of the magazine—where the long signed articles appear—is the playground of William Harlan Hale and Theodore White. Their work is not, as people too often think, a matter of sitting in leather chairs poring over a mountain of manuscript to extract the ounce of gold. Manuscripts—at least ones worth an editor's eyesight—don't pile up that way. What usually happens is that you think up the idea, think up the man to do it, introduce the man to the idea and then apply thumbscrews, hot needles and other medieval persuaders to extort the finished piece by a date at least approximating the deadline.

To this exacting and exhausting work Hale and White bring varied and supplementary backgrounds. In their wanderings during the war years they pretty nearly divided the world between them. Hale was on the staff of SHAEF first in London, then in Paris, then in Luxembourg and finally in Bad Homburg, just outside of Frankfurt in Main. White, having been graduated from Harvard summa cum laude, started out on a traveling fellowship in 1938. It was supposed to be a world tour, but he got only as far as China, where, briefly, he was connected with the Chinese Information Service. He left that post to join Time, Inc.'s China bureau and he covered the war in the Pacific from 1940 to 1945.

Hale began his career in the magazine world early. As an undergraduate at Yale, he started an academic run-for-the-hills with the *Harkness Hoot*, the most irreverent and probably the most influential publication ever created by a student editor. In the years between graduation and the outbreak of the war, he wrote two books, *Challenge and Defeat*, and *Hannibal Hooker* (a novel), and was on the staff of *Vanity Fair* and *Time*, and free-lanced for various

other magazines. Overseas, he divided his time between planning long-range propaganda strategy against the Germans and, on the radio, putting that strategy into action. He ran the Luxembourg radio station during the battle of the Bulge, he entered Dachau the day it was taken and he went into Berlin with the first American group after the surrender. Since coming home, he has written what he calls a "layman's history of the American people," for spring publication.

WHITE was *Time's* bureau chief in China from 1940 to the end of the war, a job which took him over a winding trail of 250,000 miles: the famines of Honan, the opening of the Burma Road, missions with the Fourteenth Air Force (he holds the Air Medal for this work with them), politics in Chungking, an expedition into Sinkiang and the deserts of Central Asia. When the war was over he found himself on the deck of the U.S.S. *Missouri* watching the Japanese sign.

On his return home, White (with Annalee Jacoby) wrote *Thunder Out of China*, which was a Book-of-the-Month Club selection. It was also banned in China two days after the publication of the new constitution, which, among other things, guaranteed freedom of speech. In the past few months he's covered another 15,000 miles discovering America, a country which he describes as "amazing, beautiful, complicated, and the most important in the world." He's decided to settle down for a while and try to help report what goes on in it.

WHEN Thomas Whiteside went over to the Borden people to get his story on Elsie the Cow (NR, January 13), the public-relations man asked him with some suspicion whom he represented. "New Republic," said Whiteside. "Aha," said the p. r. man, "and what are you going to do to Elsie? Expose her?"

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★
TRIBUTE TO LENIN
 MADISON SQUARE GARDEN
 50th Street and 8th Avenue
WED., JAN. 22, 7:30 P.M.

★ **WILLIAM Z. FOSTER** ★
 Chairman, Communist Party, USA
 ★ **J. B. S. HALDANE** ★
 Internationally Famous British Scientist
 ★ **Guest Speaker: ALBERT E. KAHN** ★
 Co-Author "Great Conspiracy Against Russia"
 President, Jewish Peoples' Fraternal Order
 ★ **RESERVED SEATS** ★
 60¢, \$1.00, \$1.20, \$1.80, \$2.40 (tax incl.) ★
 At Workers Bookshop, 50 East 12th Street
 ★ Bookfair, 133 West 44th Street ★
 ★ Jefferson Bookshop, 575 Ave. of the Amer. ★
 ★ **Auspices:** ★
 ★ **New York State Communist Party** ★
 ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

RESORTS

VINEYARD LODGE
 ULSTER PARK • NEW YORK
 CHARMING, MODERN FARM HOTEL
 200 acres unusually beautiful country—seasonal sports—new tile showers—fireplace—well-balanced American-Jewish meals. Adults only. Kingston 659 J-2.
OPEN ALL YEAR

PLUM POINT
 Recreation, Fun, Sports, Relaxation
 on the majestic Hudson
 • seasonal sports
 • delicious food
 • gay informality
 155 MILES FROM NYC • NEW WINDSOR, NY • NEWBURGH 4270

CAMP

WAYWAYANDA ATOP MT. WASHINGTON
 IN THE BERKSHIRES
 "Creative Camping for Young Folk 8-9 Years."
 Professional staff. Small groups. Private lake. Modern buildings & facilities. Care of animals. Gardening. Limited to 60 children. 8th season. Write Camp Waywayanda, P. O. Copake Falls, N. Y. Phone MURray Hill 2-4232

MAGAZINE

YOUR WORLD

It's Your World—

Know the Truth About It!

Every month a score of on-the-spot experts bring you accurate information and authoritative commentary on world affairs. A 16-page center section brings you one vital world topic into the sharpest news focus, illustrated with large maps and eight pages of exclusive photos.

Accurate—Informative—Comprehensive

Movie, radio, press and other departments are written and edited by such top names as George Seldes, Ella Winter, Ring Lardner, Jr., Carey McWilliams, Raymond Arthur Davies. It's the new monthly magazine you can't afford to miss. Send \$2.50 today for the next 12 issues, or \$1 for the next four.

On the newsstands January 20th

YOUR WORLD,
 45 Avenue Road, Toronto, Canada

Here's my \$..... Please send me
YOUR WORLD for the next
 months.

Name.....

Address.....

.....NR1

Wallace Speech

(Continued from page 3)

freedoms which are in accord with a peaceful world and a fully employed, prosperous America. I still believe in a free American press, even though it lies continually about Russia and labor—and thus endangers both world peace and industrial peace. The cure for such lies is more freedom, more education, more knowledge and more decent self-restraint. We do not believe in the freedom of monopoly, whether of the press or of cartels, to interfere with the free, private initiative of small businessmen. But neither do we believe in that excess of anarchic freedom which produces the chaotic extremes of the business cycle and leads to recurring periods of bankruptcy and unemployment. We believe that labor, business and government can act together through the President's Economic Advisory Council to prevent the business cycle from going to such dangerous extremes as it did from 1925 to 1933.

BELIEF in freedom does not mean that we stand for turning the country over to the "laissez-faire" big-business interests and their special pleaders in the journalistic and political world. It does not mean repeating the planless, selfish mistakes of the twenties all over again. The "laissez-faire" freedom of selfish big business inevitably leads to depression, higher tariffs, political confusion in many nations, revolution in some nations, and eventually—war. To prevent this we must have a certain amount of both international and national planning. Eventually the United Nations must become a World Federation, but we cannot expect Russia to become part of such a federation until the United States has demonstrated its ability to eliminate the excesses of the postwar business cycle.

We progressives believe that the United States can eliminate the excesses of the business cycle without danger to peace or to the essential freedoms. To do the job we must live in the future, not in the past. The Republican leader-

ship in Congress is in serious danger of repeating its mistakes of the twenties as it deals with tariffs, taxation and fiscal policies. To prevent the Republican Congress and the "laissez-faire" big businessmen from leading us down the high road of boom, bust and war is the immediate justification for our progressive existence. The ultimate justification of the progressive cause is a positive program of world peace, world prosperity and world freedom.

WE progressive, independent citizens believing in political action are not defeatists. Roosevelt is gone, but in the true Roosevelt spirit we are looking ahead to a better organized movement. We believe that three-fourths of the American people will believe in our message provided we go all out to get it over to them. American labor, whether AFL, CIO, Railway Brotherhood or independent, is with us once they understand the issues. So also are the majority of the artists, scientists and professional people. They all believe in the fundamental Americanism of our approach. The American doctrine is a revolutionary approach. It is as revolutionary as the Declaration of Independence or the Gettysburg Address. It affirms the equality of man, the freedom of man and the pursuit of happiness as the goal of man.

More and more the American people will question a program of imperialism and heavy armament as the true road to peace, prosperity and freedom. Your job as a progressive organization is to reach that majority of the population which is potentially progressive, but which, due to lack of information, is in the hands of the conservatives at the present time. If you succeed, the pattern of Postwar II will be different from that of Postwar I. In your hands rests the responsibility for leadership. You should pass up no opportunity to advance the progressive cause. Continually you should work with the President's Economic Advisory Council. If you have any channels through which to work, you should do everything you can to make President Truman's message to Congress this January as forward-looking as his message of September, 1945. We must continually make it clear to the Administration that we, as progressives,

would prefer the election of an out-and-out reactionary like Taft in 1948 to a lukewarm liberal. We want this to be a genuine two-party country, and not a country operated by a fake one-party system under the guise of a bipartisan bloc.

We have less use for a conservative, high-tariff Democratic Party than we have for a reactionary, high-tariff Republican Party. If need be, we shall first fight one and then the other. At the moment our objective is to make the Democratic Party out-and-out progressive. If the new Independent Citizens for Political Action [now the Progressive Citizens of America] is to be effective as an organization its members will move into every precinct in the country to educate the people and control the political machinery.

We must also uphold the good right arms of all progressives who are in Congress, as well as those who were defeated last November. Kopplemann, Hook, MacMurray, Outland, Mrs. Woodhouse and others who were faithful public servants can be useful during the next two years. They should be busy writing articles, making speeches and taking part in your councils. We shall see them in Congress again.

AS WE work we must fight off the enemy, as his stooges try to stir up jealousies and get us fighting among ourselves. We shall never be against anything simply because Russia is for it. Neither shall we ever be for anything simply because Russia is for it. We shall hold firmly to the American theme of peace, prosperity and freedom, and shall repel all the attacks of the plutocrats and monopolists who will try to brand us as Reds. If it is traitorous to believe in peace—we are traitors. If it is communistic to believe in prosperity for all—we are Communists. If it is Red-baiting to fight for free speech and freedom of the press—we are Red-baiters. If it is un-American to believe in freedom from monopolistic dictation—we are un-American. I say that we are more American than the neo-fascists who attack us. The more we are attacked the more likely we are to succeed, provided we are ready and willing to counter-attack. On with the fight!